Daily Report

Latin America

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Cuba

Havana Reports Prisoners' Treatment in U.S.

FL011320 Havana Tele-Rebelde Network in Spanish 1200 GMT 31 Dec 87

[Text] The Cuban-born inmates who rioted in the Oakdale and Atlanta prisons are sleeping on the floor and are led to showers in chains at Leavenworth prison in Kansas, the United States. (Jeff Duncan), executive assistant of the maximum security prison, said the 718 detainees who revolted in Oakdale and Atlanta were sleeping on the floor and only from today on would beds be available to them. Asked if the inmates are taken to the showers in chains, (Duncan) said: We have certain requirements in the security blocks. How we handle the prisoners is part of those rules.

The situation in Leavenworth, where the prisoners were taken in early December, has been reported to [as heard] the organizations helping them, as well as to their relatives.

Fidel Castro Reviews 'Difficult' Year

FL010000 Havana Television Service in Spanish 0100 GMT 29 Dec 87

[Report by Lucia Gonzalez from Palace of Conventions]

[Text] The draft for the country's 1988 General Economic and Social Development Plan and budget was approved this afternoon by the Cuban parliament. The bill was drawn up with extensive participation from the state organizations and territories, and further enriched with the workers' input.

Next year, limitations on the availability of freely convertible currency will be maintained, although the effects will be kept to a minimum. Therefore, increased exports, tourism development, and imports substitution continue to be of vital importance for the Cuban economy.

The main objective will be to make products more varied, to extend the social projects program throughout the country, and of course, to generally maintain the consumption levels of the population. The investment plan will be guaranteed, although the established priorities are eliminated. The basic aims are now to ensure completion of projects and to channel efforts toward the most important economic and social objectives. In one of his comments, Deputy Fidel Castro made an analysis of the year that is about to end.

[Begin Castro recording] I think we have gone through one of the most critical and difficult years, one most full of stumbling blocks of all kinds. We worked with much care throughout the year. I think the country has made a truly heroic effort in 1987. It cannot be described here with easy, simple words. The first conclusion is we have not grown in volume but I think we have progressed considerably this year. I would say that doing what has been done in 1987, in the conditions in which it has been done, actually constitutes a heroic feat by our people.

In almost all areas, there was a much more serious effort in construction and industry, a very serious effort in the rectification process against high salaries without the work to justify them, as well as a great effort in agriculture, sugarcane sowing plans, sugarcane cleaning. We have manually cleaned more sugarcane than ever. Administrative officials came down to the sugarcane fields to clean up during all those months.

We have really been able to surmount with successes and encouraging results, with encouraging results [repeats himself] the most difficult year; or, well, one of the most difficult years. We will keep having difficult years. We cannot even for a second imagine that the others are not very difficult or as difficult as this one. We will have them in 1988, 1989, and maybe even 1990. These must be years of heroic feats by our people. As I said, doing what has been done with the minimum resources available to us from the freely convertible currency area, I say, was really a heroic effort. This does not mean we should be satisfied.

I can say that approximately 300,000 more tons of cement have been used in construction. We have used more cement, sand, rock, more of everything. We have finished many [incomplete] projects because many of these commercialized enterprises were interested in only one thing. They would begin a project, move the land; this meant a lot of accumulated value. They would put up four columns and then they wouldn't go on building, because finishing would produce little value. You have to keep giving...[changes thought] They start with a bulldozer and finish with a screwdriver, by hand, installing a bolt, a valve; that was the kind of finishing they did. The truth is we will have to examine all those things carefully, see how much influence the price reduction had. The truth is we have invested more materials in construction. That is, much more has been built.

Above all, this effort's main purpose is to find the solution to important economic or social problems. I think the best thing about all this is we can begin to face severe social problems without affecting in the least the economic development of the country. All of our great energy projects, including the electronuclear plant, oil refinery, exploration, drilling, and nickel plants are beginning to show more potential because we have finally started to get things rolling and more. We have found a way to deal with the serious problems we had in the famous Punta Gorda factory. The construction of the CEMA I plant is once again gaining new momentum. All fundamental industries—mechanical, energy, mining, food, and light industry, all the areas, and the most important ones—are coming along; they have been taken care of, and are developing at a greater pace.

One of the things we have done during 1987 is to create the conditions so that 1988 will begin, from the very 1st day, as it is supposed to begin. And it will not begin from the 1st day, it will begin from the 4th day. Because we have Friday the 1st, Saturday, and Sunday, and I think it is fair that during those days people rest. We have even imposed an obligatory rest on the minibrigades from the capital. Obligatory rest on 1, 2, and 3 January. We do not want people to arrive all worn-out on 4 January. We want them to arrive with the desire to gobble up the projects, to build it all. [End Castro recording]

Caricom

Leaders Meeting Postponed; Seaga To Attend

FL311756 Kingston Domestic Service in English 1700 GMT 31 Dec 87

[Text] A new date has been set for the informal Caricom heads of government meeting to discuss the Haitian crisis and Prime Minister Edward Seaga will be attending the meeting. The new date for the meeting in Bridgetown, Barbados is next Wednesday, January 6th. RJR News also understands from related sources in the St Lucian capital of Castries that all Caricom leaders will be attending the meeting except Saint Vincent's Prime Minister James Mitchell. Trinidad and Tobago Prime Minister A.N.R. Robinson is expected to attend the meeting as well, providing his 1988 budget presentation does not clash with the meeting. Prime Minister Seaga had indicated earlier this week that it would not be convenient for him to attend the meeting which was originally set for Monday January 4th.

Haiti

Protestant Church Declaration on Elections

FL312258 Port-au-Prince Radio Metropole in French 1700 GMT 31 Dec 87

[Text] Speaking of reaction to the coming elections, here is a statement published yesterday by the Haitian Protestant churches.

Haiti is currently at a particularly dangerous and delicate crossroads in its history. The gap which for a long time seemed to exist between the Haitian people and Government has today become a veritable chasm. Disappointment, disillusionment, mourning, and suffering separate these two partners—which, paradoxically, ought to be cooperating for the national well-being.

Dialogue has given way to a violence which became intolerable on 29 November.

In view of this situation, the Protestant community continues to fulfill the prophetic mission which the Lord has entrusted to His church: that of being the salt of the earth and the light of the world. Today the contradictions in Haitian society constitute serious threats to the very survival of that society. We are floundering in confusion and darkness. Christians must therefore try to provide, in this situation, the salt which preserves and the light which shows the way. The Christian churches must take a stand, not only because God asks them to speak in His name, but also because the Haitian people have entrusted them with a responsibility in setting up a democratic regime.

Indeed, the Constitution of 1987 asks the churches to participate in forming an autonomous, independent Provisional Electoral Council [CEP]. The Protestant federation responded to the appeal from the population and participated in getting the electoral process underway. We all know what the results were. The process was interrupted. Representatives from the churches and other institutions were removed and replaced by others without the consent of the institutions or organizations concerned.

As constituted, the new CEP loses the independence normally conferred on it by the Constitution.

Also, the Protestant churches had invited the faithful to do their civic duty by participating in the elections. Some of them were massacred, mutilated, or subjected to severe mistreatment. The Christian church has today become the target of unjust and false accusations, which aggravates the situation even further. After all this, can the Protestant leaders ask their brethern and the Haitian people to participate in new elections without any explanation having been given the nation, without any correction or preparation having been effected?

Furthermore, we do not think the new electoral proceedings, with methods which do not correspond to the desires of the majority, will be able to bring about the peace, harmony, and progress so greatly desired by the Haitian people.

We invite leaders to reconsider their approach, reestablish constitutional order to the electoral proceedings, and set aside all partisan spirit and instead consider the well-being of the people, who have been tricked for so long and who now have been humiliated before the entire world.

We remind those in power that it should be employed in the service of law and justice. We launch an appeal for an end to this terrible, murderous, violence; and for all Haitians to participate in the establishment of a rule of law based on respect for the desires of the population.

We are aware that 29 years of dictatorship and 2 years of democratic cacophony resulting from our political immaturity have not accustomed us to constructive and responsible dialogues. We wonder if we are doomed to enter once again the infernal cycle of violence and regression.

Is it too late to find a national solution to the crisis? Is it too late for the sons of a single fatherland, admitting their faults, to sit down around a table and negotiate their country's peace and future? Is it too late to try to wash all our dirty laundry courageously and in private? We know this may seem utopian, but we believe staunchly in the God whom we serve. We know Him to be powerful, and we know that He loves His children.

Therefore, on the eve of this new year, we would like to invite all Christians to unite in prayer to ask God to touch all hearts and to create both the will and the means to hold a dialogue.

May God help us, the declaration concludes.

The Episcopal Conference of Haiti also distanced itself from the 17 January elections, although it avoided making any call to abstention. In their latest statement, the Haitian bishops limited themselves to wondering publicly if the conditions for trust and security during the coming elections were present.

Candidates Announce for 17 Jan Elections

Leslie Manigat To Run

FL311904 Port-au-Prince Radio Metropole in French 1145 GMT 31 Dec 87

[Text] One of Haiti's most important presidential candidates, Mr Leslie Manigat, who is president of the Assembly of Progressive National Democrats, announced yesterday over television that he has decided to participate in the general elections scheduled for 17 January by the National Government Council [CNG].

Admitting that this was a calculated risk, Mr Manigat emphasized he would be vigilant and would withdraw from the race if there was obvious manipulation or irregularities. Saying he felt the ballot was the only peaceful and rapid means of escaping the current situation, Manigat called on his compatriots to participate in the elections.

He said: Voting constitutes a patriotic obligation. He asked people not to be taken in by slogans implying that to vote means to be pro-CNG. What if the new Provisional Electoral Council were to surprise the skeptics and hold decent elections, Mr Manigat asked? In this connection, he denounced what he feels is a campaign of disinformation waged by the foreign press against the new Haitian electoral law. He pointed out as an example of this that part of the foreign press had wrongly reported that foreign observers would not be allowed at these elections, and that there would be armed members of the Armed Forces in the polling stations.

Deploring the fact t'.at CNG President Henri Namphy has publicly expressed his contempt for all politicians, Mr Manigat said he nevertheless felt that with or without General Namphy, the Army remains a reality you cannot get around. If you try to send the Army back to the barracks by force, there will be a coup d'etat or civil war, assured Manigat, who explained that in such a case, a harder line would have every chance of prevailing.

Manigat said he thinks the military know it would be fatal for them not to hold any elections at all or to take the risk of holding fraudulent or artificial elections in favor, for example, of a candidate forbidden to run under Article 291, which bars all zealous partisans of the Duvaliers from public office for 10 years. They would have to stuff this candidate down the throats of the Haitian people, considering 7 February 1986.

Recalling his 3-point program to democratize and modernize the Armed Forces and put it at the service of development, Manigat emphasized that in order to do this, there had to be a government capable of carrying on a dialogue with the Army, remembering that the Army too, as an institution, has been victimized by the former dictatorial regime.

Noting that the Haitian people are tired of endless crisis, Manigat expressed disapproval, in passing, of the stand taken by the four major presidential candidates who as yet refuse to participate in the coming elections—that is, Marc Bazin, Louis Dejoie, Sylvio Claude, and Gerard Gourgue, who have come together in the Committee for Democratic Agreement. Describing them as a quartet of intransigent and militant refusal, Mr Manigat spoke derisively of the fact they had been no more able to persuade the population to adhere to a 2-day general strike on 7 and 8 December than they had been to have it adhere to the astonishing instructions to stay at home or to give a concert on pots and pans on the evening of 24 December.

Manigat also said the group's alternative implied a resort to foreign military intervention. He expressed satisfaction over the fact that the possibility of such an intervention appears to be remote, thanks to Haitian nationalism and, in particular, to the influence of the Latin American countries. Nevertheless, he did not rule out the possibility of this plan being reactivated if a Uganda-like situation were to develop in Haiti.

Former Duvalier Minister To Run

FL312324 Port-au-Prince Radio Metropole in French 1700 GMT 31 Dec 87

[Excerpts] Another [presidential] candidate has come forth.

Mr Lamartiniere Honorat, a former minister under Francois Duvalier, who turned against the former regime, has confirmed his intention to participate in the 17 January general elections in Haiti. This was announced today by the Haitian Government's daily paper, HAITI LIBEREE. [passage omitted]

Honorat is the secretary general of a small political group, the National Union of Democratic Forces [UNFD].

Mr Honorat's candidacy brings to five the number of candidates accepted by the former Provisional Electoral Council.

10 Withdraw From Race

FL312011 Port-au-Prince Radio Metropole in French 1145 GMT 31 Dec 87

[Text] As the end of the year approaches and the 17 January elections near, the list of candidacies that have been withdrawn lengthens. Thus, 10 candidates to the senate for the Department of the West yesterday signed a joint declaration announcing they were withdrawing.

Considering the total insecurity prevailing in Haiti and the repeated violations of the Constitution by the CNG; considering that free, honest, open and democratic elections are not possible following the (?dismissal) of the CEP [Provisional Electoral Council]—the only body empowered by the Constitution to organize and supervise elections until 7 February 1988; and considering the 29 November massacre of voters in front of polling stations despite a guarantee from the government that it would guarantee the protection of lives and property, these candidates to the senate declare they hereby withdraw from the race until democratic conditions are reestablished in the country.

They also declare their solidarity with the stand taken by the PDCH [Haitian Christian Democratic Party], the PAIN [National Agricultural and Industrial Party], the MIDH [Movement for the Implementation of Democracy in Haiti], and the FNC [National Concerted Action Front].

We recall that Mr (Duly Brutus) has also withdrawn his candidacy for the lower Limbe area. He said on doing so that the 17 January elections are a farce. He also declared his solidarity with the Committee for Democratic Agreement.

Names Announced

FL312333 Port-au-Prince Radio Metropole in French 1700 GMT 31 Dec 87

[Excerpt] Ten Haitian political figures, who were candidates for the senate, have issued a communique announcing their withdrawal from the elections until democratic conditions are reestablished in the country.

They are: Arnold Antonin, Maurepas Auguste, Theodore Baker, Lafontant Joseph, Rockefeller Guerre, Wilfrid McNally, (Raymond Pioux), (Seymour Romain), (Edris St Amand), and Edouard Tardieu. They were going to run for office in the Department of the West. [passage omitted]

Deadline for Filing Candidacies Extended

FL311920 Port-au-Prince Radio Metropole in French 1145 GMT 31 Dec 87

[Text] On the calendar for the 17 January 1988 elections, the deadline for filing candidacies was yesterday. However, on 28 December, the new CEP extended the deadline to 4 January 1988. Last evening on television, the CNG made public a decree concerning this extension.

In its communique No 4, the CEP had reminded potential candidates to the various elective offices—president or senator of the Republic, people's deputy, member of the communal councils, and member of the administrative council of the communal section, CASEC—that the deadline for filing candidacies stipulated in the decree calling the citizenry to elections was Wednesday, 30 December. However, the CEP said, in view of the brevity of this period and wishing to make things easier for the candidates, it has decided to allow candidacies to be filed until 4 January 1988.

Furthermore, taking into account Article 16 of the decree-law of 16 December promulgated by the CNG, candidates interested in running for office are asked to remember to reconfirm their declarations of candidacy.

Dejoie Party Offices Attacked 30 Dec

FL312024 Port-au-Prince Radio Metropole in French 1145 GMT 31 Dec 87

[Text] Unidentified individuals yesterday attacked the political offices of the PAIN [National Agricultural and Industrial Party], which are located on the Champ de Mars. We obtained a statement from a PAIN party member.

[Begin recording] This is the political headquarters of Louis Dejoie II speaking. At 4:30 [am or pm not specified] we received a telephone call from the office announcing...[speaker changes to Creole] announcing to us that the headquarters was under attack. We were in Petionville. We came right down, and at 5:00, when I arrived, I found the glass door in front shattered. The front windows were shattered too, and the rocks were inside the building.

When I asked what had happened, I was told that five people had come down here in a car—in a taxi—and that three of them had taken rocks and shattered the glass. The two others stood around in front, watching. When they finished smashing the glass, they headed downtown. Then they returned and wrote "Down with Dejoie" on the wall.

We have been receiving threats for a long time. Now I suppose they are carrying out the threats. But [words indistinct]. They said tonight will be worse.

We made our statement to the police, but the police has not yet come to inspect the premises. Thus, we are on our guard, and we ask the population to be alert. That is all I can say at this point. That is all they did to the offices. Everyone should watch out, because it looks as if the threats are going to be carried out. Thank you. [end recording]

Namphy Calls For 'Historic Commitment'

PA012252 Paris AFP in Spanish 2144 GMT 1 Jan 88

[Text] Port-au-Prince, 1 Jan (AFP)—In a message to the nation on the occasion of the 184th anniversary of the proclamation of the country's independence, General Henri Namphy, president of the political-military National Council of Government, CNG, today called for a "historic commitment."

Namphy spoke at the National Palace in Port-au-Prince in the presence of his cabinet and diplomats accredited to Haiti. The absence of the ambassadors of France, the United States, Canada and the FRG, the leading suppliers of aid for this Caribbean nation, was conspicuous.

Namphy said: "The historic commitment we should have made a few months ago can still be made." He also said the worst was not "inescapable," because a consensus, "even a minimal one," can be achieved and bear good fruit.

Addressing himself to foreign countries' representatives, Namphy firmly condemned "the making of a hierarchy in the treatment accorded to small countries in international relations." He said he desires large countries to "treat Haiti with respect and the same spirit of understanding as accorded to other countries."

Transport Union Asks for Election Boycott

FL311928 Port-au-Prince Radio Metropole in French 1145 GMT 31 Dec 87

[Text] The metropolitan area drivers union has called on its members to stay home 17 January on the occasion of the general elections in Haiti.

In a communique signed by union president (Reynald Trouillot), it says democracy in Haiti is in danger and conditions for democratic elections are not present.

Costa Rica

Authorities Find 'Clandestine' Hospital

PA311910 San Jose Radio Reloj in Spanish 0100 GMT 31 Dec 87

[Summary] Today at 1000 Costa Rican Rural Police [GAR] and Judicial Investigation Organization personnel raided a house in Escanzu that had been "used as a clandestine hospital, and they arrested 18 Nicaraguans. Apparently, the Nicaraguans belong to the (Yatama) group, formerly MISURASATA [Miskito, Sumu, and Rama Sandinist Unity] led by Brooklyn Rivera."

GAR officers stated that they found "war materiel, medicine, and identification documents" inside the house. One person was injured, but his condition is not serious. GAR officer Antonio Espinoza stressed his country's neutrality, and he said his agency will not allow any "group to use Costa Rican territory to attack neighboring countries."

El Salvador

President Duarte Swears In 5 New Ministers

PA011949 Panama City ACAN in Spanish 1825 GMT 1 Jan 88

[Text] San Salvador, 1 Jan (ACAN-EFE)—Five new ministers in President Jose Napoleon Duarte's cabinet were sworn in today, and six officials will be sworn in next week.

The president—accompanied by Vice President Rodolfo Castillo and Defense Minister Eugenio Vides Casanova—swore in the new officials during a brief ceremony. The new officials will work as labor, planning, Presidency, foreign trade, and education ministers.

The new officials are former Security Minister [title as received] Reynaldo Lopez Nuila (Presidency), Remo Bardi (planning), Carlos Aquilino Duarte (foreign trade), Lazaro Tadeo Bernal (labor), and Carlos Cruz Avalos (education). Two other officials were also sworn in today: General Rinaldo Golcher, new deputy minister of public security, and Mauricio Choussy, president of the Central Reserve Bank. Choussy had been in his post in an acting capacity.

Duarte announced that the deputy ministers of education, culture and communications, labor and social welfare, justice, housing, and foreign trade will be sworn in next week, but he did not say who would occupy the posts.

Ministers Eugenio Vides Casanova (defense), Roberto Viera (culture and communications), Julio Samayoa (justice), Antonio Morales (agriculture and livestock), Ricardo Lopez (treasury), Ricardo Perdomo (economy) and Ricardo Acevedo (foreign relations) will remain in their posts.

The president urged the new officials to "reject all types of influence, either for money or power, because the elections are coming up, and this causes constant criticism of the government." Several opposition groups have said the members of Duarte's last cabinet were "corrupt." The prosecutor general's office received lawsuits against most of the ministers in the Christian Democratic government.

President Duarte told the new cabinet members he will not resume the dialogue with the guerrillas in 1988 if the rebels do not accept "forgiving and forgetting" as proposed by the government during the third round of talks in October. Duarte emphasized that making progress in economic programs is a priority. He established a goal of 3-percent growth in the economy—1 percent more than in 1987. He said a 20-percent inflation rate is expected for 1988—1 percent less than 1987—as is a 15-percent increase in investment—1 percent more than in 1987. The president asserted that the currency, the colon, will not be devalued in 1988. The colon is currently worth $0.23.

Military Transfers, Promotions Announced

PA312251 Panama City ACAN in Spanish 1845 GMT 31 Dec 87

[Text] San Salvador, 31 Dec (ACAN-EFE)—The Salvadoran Army today announced year-end changes, officially transferred some military officers, and promoted 15 lieutenant colonels to colonels.

Coprefa today confirmed that Colonel Reynaldo Lopez Nuila, who until today was deputy public security minister, will be minister of the Presidency beginning on 1 January 1988. General Reinaldo Golcher, currently the Treasury Police director, will be the new deputy public security minister.

Colonel Leopoldo Hernandez, who until today has been deputy commander of the Armed Forces staff, will be director of the Treasury Police. Lieutenant Colonels Osvaldo Moreno and Carlos Aviles Buitrago will become commander of the Armed Forces Armory and executive officer [ejecutivo] of the Artillery Brigade, respectively.

Coprefa also announced the promotion of 15 lieutenant colonels, including Traffic Department General Director Julio Cesar Benavides, to the rank of colonel.

Colonel Lopez Nuila has announced his retirement from the Armed Forces following 32 years of service.

Colonel Mauricio Vargas, commander of the Armed Forces' Department No 3, has explained that these are "routine" changes that the military makes every 6 months.

FDR President Guillermo Ungo, a political ally of the guerrillas, has stated, however, that these changes represent "a hardening of the military leadership." He noted: "These changes further subordinate and weaken civilians, especially the government of Jose Napoleon Duarte."

On this occasion the changes did not include brigade and battalion commanders, who directly carry out counterinsurgency actions in the country's six military zones.

Lopez Nuila on Retirement

PA010232 San Salvador LA PRENSA GRAFICA in Spanish 31 Dec 87 p 2

[Text] Colonel Carlos Reynaldo Lopez Nuila yesterday announced his retirement from the Armed Forces effective 1 January, the date when he will assume the post of minister of the Presidency.

Col Lopez Nuila, who was deputy minister of public security until today, said at a news conference yesterday that several days ago, yielding to pressure from the Army, he submitted his resignation. However, President Duarte did not accept the resignation until he offered him the post at the ministry, which he will assume on 1 January 1988.

He said he had presented his resignation on four different occasions, but that it had not been accepted, and even the defense minister had asked him to remain as deputy minister of public security.

Col Lopez Nuila said that during the last 8 years he has worked for the people. He has worked with firm determination—strictly abiding by the law and with respect for the citizens' rights—to serve the people.

He said, however, that lately the Armed Forces had so strongly pressured him that he decided to retire from the Army. He also said his 32 years of service also influenced his decision.

When asked if he would change his decision if ordered by the Armed Forces General Command, Col Lopez Nuila said he would only return to the ranks if the Army asked him to do so. However, he does not want to wear a military uniform again.

Col Lopez Nuila was asked about the U.S. State Department's informal announcement that it would suspend aid to the Salvadoran judiciary as a result of the acquittal of two National Guardsmen accused of killing Rodolfo Viera, former leader of the ISTA (Salvadoran Institute of Agrarian Transformation), and two U.S. labor union leaders. He replied that this decision would be regrettable, especially because of the national efforts being made to strengthen our young democracy.

He admitted, however, that this decision is completely up to the U.S. authorities.

He said that Guillermo Manuel Ungo's claims that there are serious weaknesses in the government and the Armed Forces are merely empty words uttered by someone who could not attract more than 200 people when he came to El Salvador. He said that someone with that kind of "popular support" is is no position to express such opinions.

Rivera y Damas Calls for End to Death Squads

PA032202 Panama City ACAN in Spanish 1710 GMT 3 Jan 88

[Text] San Salvador, 3 Jan (ACAN-EFE)—The Salvadoran church today called for an end to right-wing "death squads," which have stepped up their actions throughout the country over the last few weeks.

San Salvador Archbishop Arturo Rivera y Damas said that the country's bishops, especially those in the west and central parts of the country, "are worried about the return of the death squads."

In his homily today at the metropolitan cathedral, the archbishop said: "I want this practice to end in 1988 because it undermines the consolidation of a true democracy besides being a terrible sin against the Christian spirit."

During the last few weeks the Salvadoran church has reported an increase in "death squad" activities, which, acting with impunity, kill workers and trade union members.

According to church figures, 24 Salvadorans were killed by the "death squads" in 1987, and the killers have not yet been found.

At the beginning of 1980 the church, which also then carefully reported on "death squad" activities, linked those organizations to the Salvadoran Army. However, it has not said this time who are behind these actions.

Nevertheless, the National Union of Salvadoran Workers (UNTS), the main labor organization that opposes the Jose Napoleon government, claims that the "death squads" have not been dismantled and that they are still closely linked with the Army.

Following the mass, Rivera y Damas told reporters it is necessary to wipe out the "death squads in order to improve the climate of security, and this will contribute more toward reinforcing the democratic process."

On the other hand, Archbishop Rivera y Damas, who is the traditional mediator between the government and the guerrillas, said the "Esquipulas II peace thrust should not be lost."

Referring to the upcoming meeting of Central American presidents scheduled for 15 January in Costa Rica, Rivera y Damas said "one of the ways to bring back the people's confidence with Esquipulas II is to take the steps that should have been taken."

Rivera y Damas said there was a certain pessimism in the air after peace was not reached in the area, despite Esquipulas II having entered into effect, but he was clear when he said: "This peace initiative should not be left to die."

He also described as "positive and important" the visit to Central America by the members of the International Verification Commission, made up by the secretaries general of the OAS and United Nations, and [the foreign ministers of] Contadora (Mexico, Panama, Colombia, and Venezuela), and the Support Group (Brazil, Uruguay, Peru, and Argentina).

After visiting the five area countries, the Verification Commission will present a report on the current situation of Esquipulas II to the Central American presidents, who will meet on 15 January.

Guatemala

Army Spokesman on Holiday Clashes With Rebels

PA031852 Panama City ACAN in Spanish 1525 GMT 3 Jan 88

[Text] Guatemala City, 3 Jan (ACAN-EFE)—A military source today reported that the Guatemalan Army did not hold a truce during the Christmas and New Year celebrations with the Guatemalan guerrillas because "there cannot be any agreements with armed groups."

Army spokesman Colonel Roberto Letona said that government troops fought the rebels during Christmas and New Year, "although the rebels had talked about a unilateral truce because of the celebrations."

Letona pointed out a "confusing" situation concerning the current position of the rebel forces because while the URNG leadership requests a dialogue with the government its military units continue fighting.

On 24 December, through the National Reconciliation Commission, the URNG asked President Vinicio Cerezo "to continue with the talks" that began in October 1987 in Madrid, Spain, "to fulfill aspirations for peace and democracy."

Letona asserted that the Guatemalan Army clashed several times with rebel groups in Huehuetenango, San Marcos, and Solola Departments in western Guatemala and in Quiche Department to the north. The clashes resulted in 18 casualties. Two soldiers, 4 civilians, and 12 rebels were killed.

Letona said that one of the latest confrontations took place on the Tajumulco Volcano, western San Marcos Department, on the border with Mexico, where the guerrilla movement had built "a well-protected stronghold" at 1,400 feet above sea level.

When reiterating that the URNG leaders "do not have the support of its 1,000 armed men," Letona added that "they do not represent the country's political opposition" either, and thus "their actions are illegitimate and no dialogue can be held with them."

Honduras

Officer on Transfer of U.S. Arms to Contras

PA031949 Panama City ACAN in Spanish 1650 GMT 3 Jan 88

[Text] Tegucigalpa, 3 Jan (ACAN-EFE)—An official source today said that Honduras cannot be held responsible if weapons of the type used by the U.S. troops stationed in Honduras are allegedly passed on to the Nicaraguan "contras."

Manuel Enrique Suarez Benavides, public relations officer of the Honduran Armed Forces, said that the Honduran military has no control over the weapons and equipment used by the U.S. soldiers who are in Honduras participating in joint maneuvers and other joint exercises.

This was Suarez Benavides' response to foreign press reports that speak of an alleged transfer of weapons of the type used by U.S. soldiers in Honduras to the Nicaraguan rebels.

The officer added that Honduran troops only have access to those weapons when they are training with U.S. soldiers.

Suarez Benavides said that Honduran soldiers only use the weapons assigned to their units and that the only other weapons accessible to them are those received through military aid the United States offers to the country.

The officer explained that equipment, such as the engineering equipment used during the maneuvers, comes from the United States and that it is used by U.S. personnel.

The Armed Forces spokesman said that at the Armed Forces level, no one has any knowledge of the existence of weapons to be delivered to the "contras" and that he cannot speculate on this.

The officer also said that it is possible that a former Honduran soldier, because of a need for money, may become involved with the anti-Sandinists or with armies from neighboring countries, especially that of El Salvador.

Suarez Benavides said this is a situation that the Honduran Armed Forces have no control over and that it is possible that some of those former soldiers may have joined the Salvadoran or Nicaraguan armies to fight in exchange for money.

Responding to charges made by the Salvadoran guerrillas that local troops are carrying out joint operations with the Salvadoran Army to destroy the rebel movement in that country, the Honduran officer said that that is "not true."

Some 1,200 U.S. soldiers have been stationed in Honduras since 1982.

For the past 6 years U.S. and Honduran troops have participated in very large maneuvers, during which more than 50,000 U.S. soldiers and an unknown number of Honduran soldiers have participated.

Infantry, engineering, artillery, Navy, and Air Force units have participated in the maneuvers, which have used modern equipment and weapons.

The maneuvers have been held in the north, south, east, and west of the country and in the waters off the Atlantic and Pacific coasts.

Nicaragua

President Ortega's Year-End Address

PA010310 Managua Domestic Service in Spanish 2116 GMT 31 Dec 87

["Year-end message" by President Daniel Ortega at Muelle de los Bueyes; date not given—recorded]

[Text] Good morning, brothers. [crowd answers: "Good morning"] Good morning, brothers of Muelle de los Bueyes. Good morning, Nicaraguan brothers. I bring you a message from the FSLN National Directorate, a message from the Nicaraguan Government. We bring this message to this place that symbolizes the Nicaraguan people's heroism, firmness, and courage. As Comrade Luis Urbina explained, the counterrevolutionaries' attack occurred here on 15 October.

The counterrevolutionaries' attack was organized, planned, and directed by Pentagon and CIA specialists. That is to say, this was a U.S. Government attack. They intended to blow up the bridge to cut off communications between all of these villages. By blowing up the bridge they would of course harm the entire population, all of the peasants who must use this highway to move their goods. Destroying the bridge would harm the peasants, workers, production, and the economy. This was a plan of considerable importance.

They attacked La Batea, the Zanjon Hondo tower, San Pedro Lobago, Santo Tomas, and Muelle de los Bueyes, among other sites. More than 900 mercenaries took part in the first attack and about 600 people's fighters, including reservists, militiamen, self-defense forces, and Army and Interior Ministry members, defended these villages. All of these fighters hurried to man their positions to protect the interests of the revolution.

Fighting heroically, 25 Nicaraguan brothers gave their lives on those hills over there, where there are the red-and-black flag of Sandino and the blue-and-white flag of the homeland that Sandino defended. But the mercenaries could not achieve their objective of blowing up the bridge. They were stopped on the surrounding hills by the people. In all, 91 mercenaries were killed. More than 50 workers were also killed in the action. The people of Muelle de los Bueyes have lived up to the slogan: Nobody surrenders here. This is the slogan we chanted every day in 1987.

The attack on the mining towns occurred near the end of the year. There, as happened at Muelle de los Bueyes, Santo Tomas, San Pedro Lobago, La Gateada, and Muwan, the mercenaries were repelled and could not take the mining towns.

The mercenaries had reporters in their camps in Honduras and planned to fly them to the mining towns once they were occupied by the mercenaries. However, they could not do this because they could not occupy the towns.

At the end of the year the workers of the mining towns and the peasants living nearby defended that piece of our territory, thus honoring the 1987 slogan: Nobody surrenders here.

In 1987 we promulgated the Constitution and we continued implementing the agrarian reform by distributing 176,000 manzanas of land to 9,200 peasant families. During 1987 there was a 3-percent growth in the economy because of the efforts of the mine workers, fishery workers, and the comrades at work at Corponix—the lumber workers.

Our economy grew by 1.7 percent [figure as heard]. Coffee production increased but coffee prices decreased and we received less for the coffee we sold. This caused ser[illegible]shortages because although we managed to defend our economy and keep it from collapsing, the war caused serious losses.

The total cost of the war during 1987 was $376.7 million and our exports totalled $260 million. Thus, the war cost more than our total exports. Total war costs were $376.7 [million], and if we substract the $260 million in exports the result is $116.7 [million] in losses.

Our workers and farmers tried to improve production. Our small and medium producers tried to produce basic grains, coffee, cotton, and all that we needed to feed our people and to export. It was an effort. It was a victory for

the revolution to have managed to harvest the coffee crop, to continue our production of grain, and to have industrial production despite all the difficulties.

However, as I have previously stated, and as you all well know, the war and the U.S. Government attacks caused Nicaragua's economic losses, because if we compare our $260 million in exports to the $376.7 million in war costs, we clearly see that our war cost far more than what our total exports brought in.

All this explains our lack of supplies, our inflation. Inflation is a problem we have with our currency because it increases in nominal value but decreases in purchasing value. Why? Because we have a limited amount of goods to offer and this limitation has been caused by war and by U.S. aggression. In addition, all Latin American and Caribbean countries, and all developing nations, are experiencing an economic crisis. But we have a basic problem and it is the war. We are certain that if we did not have the war, even in the midst of the international economic crisis, our country would soon become the Central American country with the best economy, the best economic development, with greater production, better education, and more health services for our people. We are certain of this. If the war ended we would be the foremost Central American country in a very short period of time.

That is why we struggle to end the war, because we know that all Nicaraguans want peace. The mothers want peace—the mothers of heroes and martyrs. Here with us we have the mother of (Pangasan) and of other soldiers who gave their lives to defend the revolution. We all want peace but Reagan does not want peace and we have no other choice but to continue to defend ourselves. The 1987 slogan, No one surrenders here, has been one that we have all lived up to because no one has surrendered. Luis Urbina has not surrendered; nor Captain Larios, this 83 year old who fought with Sandino; nor our brothers who have been crippled by war. What is your name, Comrade? He is Comrade Jose Angel Diaz. All those that have been crippled in combat do not surrender. Nor have the comrades who were wounded in combat. Nor do you surrender, Muelle de los Bueyes brothers. Nor do the people of Nicaragua surrender. [applause]

Reagan's war on Nicaragua has caused 50,382 casualties so far. This figure includes everyone—both the Nicaraguans who have died defending the revolution and the contras. The latter are included because they also are Nicaraguans and have been fighting because Reagan has been pressuring them to fight. Otherwise, they would not fight. So, 50,382 Nicaraguans are casualties of this war. In 1987 the contras sustained 6,332 casualties, of which 4,813 were killed in combat by the Sandinist people. [applause] In addition, 502 mercenaries were taken prisoner. The rest were wounded. We sustained 6,874 casualties. This figure includes killed, wounded, or kidnapped: 2,491 were killed, 3,601 were wounded, and 782 were kidnapped. [crowd chants slogans]

But such is life. This is a people with great morale, a people who do not surrender despite the war, economic problems, and shortages. Look at what was done in 1987. One example would be enough. In 1986 we had child development centers taking care of 3,529 children in the cities. This program particularly benefited the children of women workers. This figure was nearly doubled in 1987. This year we took care of 7,782 children, or 4,242 [figure as heard] more children, than in 1986. In rural areas, where this service had never before existed, we cared for 3,869 children in 1986. In 1987 we cared for 8,070 children, or 4,201 more children than in 1986.

There had never been dining facilities for workers' and laborers' children in rural and urban areas before. In 1986 we cared for 18,845 children, while in 1987 we fed 21,507 children, or 2,662 more children than in 1986. Social security had never reached rural areas and did not even cover cities adequately. This service has now been expanded. In 1986 Social Security covered 357,584 Nicaraguans. In 1987, it covered 742,028 Nicaraguans, or 384,444 more people than in 1986. In addition, we had around 1 million Nicaraguans in school in 1987, from children up to adults of even 70 or 80 years of age—whoever wanted to attend school. More than a million Nicaraguans attended school. [applause]

We signed the Esquipulas accords in 1987. What did Reagan do? He violated this agreement by immediately requesting more money for the contras. And the U.S. Congress violated the Esquipulas agreement by approving funds for the contras.

They try to make us believe that approving $3 million was not a big deal. But $3 million is not a small amount. It is $3 million to murder Nicaraguans, $3 million to murder peasants, $3 million to murder children. Giving even $1 to murder a human being is an intolerable crime that must be condemend by the U.S. people and all the world's peoples. [applause]

The right-wing groups in our country are trying to take advantage of the political opening created by the Esquipulas agreement to carry out counterrevolutionary activities.

We are clearly referring to political groups and some media opposed to the government and to the revolution. They indirectly receive CIA money—damned money. It is damned money because it is money stained with the innocent Nicaraguan people's blood. They believe they will be able to toy with the revolution and to challenge the revolution and the people. They are wrong. The Esquipulas agreements clearly state that the democratization process must take place in the institutional framework of each Central American country—in the framework of the laws of each of the Central American

countries. Therefore, let those who would sell the fatherland and the traitors of our country stop insisting on violating the law. If they do, all the weight of the law and of the people's justice will come down on them. [applause]

The Esquipulas agreements were not signed so Reagan and his criminal policy toward Nicaragua could win. They were signed to create peace and to defend the Nicaraguan people's sovereign right to carry out a revolution and to be the masters of their revolution and of their actions.

The Esquipulas agreements were approved to promote respect for international law, for the ICJ ruling that every day tells President Reagan: Comply with the law, comply with the law, comply with the law and do not be a criminal. As long as Reagan does not comply with the law, he is nothing but a vulgar criminal, a criminal who has been denounced by the U.S. people, a criminal who is not satisfied only with killing Nicaraguan people, because he has acted against the U.S. people as well. He is responsible for the loss of Brian Willson's legs. That heroic American lost his legs when a train loaded with arms for the contras, for the mercenaries, ran over him while he was sitting on the rails, protesting the shipment of arms to Central America to murder the Nicaraguan people.

That U.S. President, if he does not obey U.S. laws—which are continuously being broken—if that U.S. president does not respond for his criminal actions—such as the assassination of priest Tomas Zabaleta near Matiguas and the wounding of another religious man, Father Ignacio—if this criminal whose name is Ronald Reagan does not repent, if he does not change his ways, let him remember that his day will come and that if he does not answer for his deeds here he will have to answer for them up there, to God. [applause]

The year 1987 was a year of heroism, of combativeness, of firmness, and of sacrifices by all the Nicaraguan workers. No one has surrendered here, and no one will surrender here, because this is a nation that knows what it is defending. We are not prepared to let anyone grab from us what we conquered on 19 July 1979.

In 1988, our slogan will be: For a worthy peace, free homeland or death. [Por la paz digna, patria libre o morir.] We will continue defending the interests of the workers and the peasants. We will continue delivering land to peasants willing to work it. We will also continue defending land ownership by small, medium, and even large producers who want to work the land. Land is very efficiently worked in this area. We know there are thousands of small producers on this land. They are making big sacrifices and efforts and are working the land efficiently.

We will continue building child development centers to give attention to children both in the countryside and in the cities. We will continue defending the people's right to an education, to work, and to exercise their ability to think.

The year 1988 will be a difficult year because Reagan will try to twist our arm in 1988. Reagan will try to defeat us in 1988, but this is impossible because we are a people prepared to resist, to fight, to win, and to die for this homeland we conquered on 19 July 1979. [applause]

In 1988, for a worthy peace and for a free homeland or death, we will continue working for the strict implementation of the Esquipulas agreements in the framework of simultaneous compliance with the agreements.

The fact that we have been complying with the agreement must be taken into account. Let us see what the International Verification and Follow-Up Commission will say about Nicaragua's compliance. Reagan has not complied. Cardinal Obando y Bravo proposed a meeting in the Dominican Republic. This meeting was to be between Nicaraguan Government advisers and representatives of the Yankee government. When everyone was in the Dominican Republic, at the last minute, when everyone had agreed to meet, the Yankee government representatives began to place more conditions. In other words, they did not fulfill their word.

Those people cannot be trusted. Reagan cannot be trusted because he is a liar. At the end of every year newspapers name the man of the year. This year Mikhail Gorbachev was named because of the efforts he has made for peace. The media usually name other people for other categories. If we were to name the liar of the year, whom do you think we would pick? [crowd shouts: "Reagan"] Of course. Reagan would be named liar of the year. He is notorious for lying to his people and to the world.

We will continue defending Latin American unity as expressed in the Acapulco document issued by eight Latin American presidents who met to defend the interests of Latin America and the Caribbean. We will continue defending the struggle for world peace and the agreements signed by the Soviet Union and the United States. We will continue bravely and patriotically defending the land and blood of our heroes and martyrs, the land and blood of those who died here in Muelle de los Bueyes. This is the land and blood of Carlos Fonseca, of Benjamin Zeledon, and of Sandino. [applause]

For a worthy peace and a free homeland or death in 1988, we will continue defending our right to produce and our right to distribute with equality and justice the few things we have.

If the rich people who write for some newspapers are as interested and as worried over what they call the people's hunger, then, if the crisis continues, if the war continues, the time will come when we will have to tell those rich people: Distribute your wealth to the poor people. [applause]

We will keep concentrating in a single fist the power of the workers, peasants, women, young people, and all Nicaraguans to crush the Yankee aggression militarily, economically, and politically. [applause]

For a worthy peace in 1988. For Kenia Rodriguez, who lost both legs; for Jairo Leonidas Ojeda Arrocha, 9, whose stomach was punctured by bullets; for Marconi Valdivia Zamora, 8, who lost his left leg; for Casimiro Perez Jiron, 13, who was wounded by shrapnel. They were all victims of Reagan; of his mercenaries, the Somozist guardsmen; and of his domestic allies, the traitors and turncoats financed by the CIA. For the thousands of children, victims of the Yankee genocide, and for our people's heroes and martyrs. The people will not forget 1987. For a worthy peace, free homeland or death.

Long live the heroic people of Muelle de los Buelles! [crowd shouts: "Long live!"] Long live the heroic people of Muelle de los Buelles! [crowd shouts: "Long live!"] Long live the Nicaraguan people! [crowd shouts: "Long live!"]

D. Ortega on Peace, Economy, Politics, Plans

PA011732 Managua BARRICADA in Spanish 31 Dec 87 pp 1-4

["Exclusive" interview with President Daniel Ortega by BARRICADA reporter Maria Alicia Talavera at the Presidency on 27 December]

[Excerpts] [Passage omitted] BARRICADA: What do you expect for next year?

Daniel Ortega: I am a realist, so I think next year will be another year of confrontation and struggle against the mercenary forces and Reagan's policy. We will continue to counter U.S. policy diplomatically, militarily, and economically. Nevertheless, Reagan's policy has received blows and has been isolated, and the mercenary forces were hit hard every time they tried to enter our country. This will necessarily lead to changes in U.S. policy, and the Guatemala agreements' implementation will be respected.

We will work within this framework next year. We will struggle so the Guatemala agreements are implemented within their framework and timetable, thus weakening U.S. imperialism's policy at the international level. We will also continue to weaken U.S. imperialism's military and political policy at the domestic level, but we will always have a weak point or Achilles heel, meaning our economy. We will not be able to resolve our economic problems next year, and we will have to adjust the measures we have been implementing since 1985.

BARRICADA: What do you expect from the Esquipulas II meeting?

Daniel Ortega: We will hold a meeting on 15 January. We hope it is held on 15 or 16 January in San Jose, Costa Rica, as scheduled. The most important element in this meeting will be brought by the International Verification and Follow-Up Commission, which will present a report to the presidents on the agreements' implementation. The commission will state if any progress has been achieved, note if it encountered obstacles in any country, and present certain suggestions to the presidents. This is an important element, because it will help the presidents make new decisions and strengthen the agreements' implementation.

We have clearly ascertained that the agreements cannot be fully implemented all of a sudden—that it is necessary to go step by step, but as soon as possible. The commission's report will provide the necessary elements to say: Well, we must strengthen this sector, give more support to that sector, and work more in that other sector—based on the International Verification and Follow-Up Commission's recommendations. We, the Central Americans, are the interested parties. We have an impartial body—the commission—that will objectively evaluate the agreements' implementation in each of the Central American countries and present the corresponding recommendations.

The Central American presidents have the obligation to take into consideration the views of an organization we created for this task. We will thus be able to outline our future actions and to continue implementing the agreements until we do so 100 percent. That is our ultimate goal.

BARRICADA: Do you think the 100-percent goal will be achieved?

Daniel Ortega: I believe this is our obligation, and it will mean a struggle. It means we must continue to struggle against U.S. policy, because the United States is trying to prevent the achievement of this 100-percent goal and to foil the agreements' implementation. That would justify the U.S. policy of war against Nicaragua.

BARRICADA: Referring to economic matters, you say measures will be readjusted. I ask you, as a Nicaraguan citizen, how much longer will we have to withstand this economic situation? Everyone asks this question.

Daniel Ortega: Nicaragua's economic situation is not isolated from the crisis in Latin America. There is hyperinflation in Mexico, Ecuador, Brazil, and Argentina. In other words, no Latin American country has escaped from the inflation and—in certain cases—the hyperinflation problem.

Inflation or hyperinflation in all these countries means unemployment and, therefore, no salary for the workers in a capitalist country. Unemployed people get no salary, and people may starve to death in a nonrevolutionary country.

Nicaragua has not been able to avoid the economic factors that brought such a crisis to Latin America. The crisis affects all the developing nations. We do not think this crisis will be overcome in 1988, even if we implement all the measures outlined at the Acapulco summit of eight Latin American presidents. We cannot predict the economic problem will be resolved in the short term, because it does not depend on the Latin American countries' desires. It depends on the U.S. Government's desire and the desires of highly industrialized capitalist countries with a market economy. That is the essence of this matter. Those countries dominate the world market and finances and are also the Latin American countries' creditors. Those countries are the millionaires to whom we pay millions in interest annually.

So, that is the core of the problem. We must consider this general phenomenon in order to understand Nicaragua's economic problem. The war is another factor that worsens our economic situation.

However, how does Nicaragua differ from other Latin American countries in facing this crisis? The difference is that we are not going to close enterprises and leave people without jobs. We want to guarantee an acceptable standard of living for all workers.

Merchants have more possibilities; they make money more easily. They are not linked to production, but to services; and sometimes they earn money easily through speculation. Therefore, our first concern must be the workers who produce the goods that those merchants sell, and in some cases even speculate on.

That speculating merchant who sometimes complains and who maintains counterrevolutionary positions should be grateful to the revolution for its efforts to maintain production.

How far will we go? We will get as far as the aggression, Reagan, and the international economic order permit us; it is not up to us. We cannot decide how much foreign exchange will enter the country, because it is not in our hands to decide the price we will be paid for our coffee, cotton, and our export products; nor can we decide on the prices we must pay for the products we must import.

How far will we go? We have no control either on the damages resulting from war. You can see that following the attack on the mining towns, the newspapers that act as mouthpieces for the counterrevolution in our country published statements by the mercenaries—by murderers, murderers of children—who brag about paralyzing the mining production and about dealing a "blow" to the Sandinist regime.

In paralyzing mining production they would have really dealt a blow to the Nicaraguan people and would have provoked the paralyzation of the Nicaraguan economy in the mining sector, which would be harmful to the people. Of course, they did not paralyze the mines, but it was their objective. That is why I say: How far will we go? As far as the enemy can cause damage to the Nicaraguan economy, because Reagan's policy through the mercenary forces harms our economy.

What measures can the government, the FSLN, take? We must take organizational measures to prevent the paralyzation of enterprises. We must defend our enterprises, because the enemy's main objective is to harm enterprises in the cities and in the countryside; therefore, we must guarantee their defense.

There are cases when an enterprise only has raw material for 3 months; and then it must halt its production. A recent case was Cecalsa. What are we going to do in the next few months? Showing great revolutionary spirit, Cecalsa workers have said: We are ready to work somewhere else. They are not fired by Cecalsa; instead, while they wait for the raw material to arrive they help in the coffee harvest or they reinforce other areas in the industrial sector.

Ours is an economy of survival within a war situation. However, we have not implemented a war economy in the strict sense of the word, because money disappears in such cases, it has no value, because only the merchandise moves, and people only work for a little food.

We just have to remember the situation of European citizens during the war against Hitler. By reading a little about that, we can see what a war situation and a war economy mean. We can see that everybody faced the same situation in which there were no supplies, trade was nonexistent, and speculators were even executed. Those were extreme measures. However, here, one of the revolution's greatest victories that demonstrates its strength is that despite 7 years of war, the imperialist war has not made our economy fall; we have managed to keep it afloat.

When we talk about inflation or hyperinflation, it is because our economy functions. If our economy had collapsed we would no longer talk about inflation or hyperinflation in those countries facing a profound crisis and where the economy moves. [sentence as published]. In Mexico there is talk about hyperinflation right now, and there is talk about inflation in many Latin American

countries. Even the United States is facing inflation. Of course, we are not going to compare our economic crisis with that of other countries, because we are facing war. However—I repeat—one of the greatest achievements of the Nicaraguan revolution has been resisting in such a way that our economy has not been dismantled or disarticulated. In other words, Nicaraguan enterprises are still functioning. In fact, during this year we experienced 3-percent growth in material production, mainly in mining, fishing, and lumber. That is why the enemy is going to try to affect the mines, because it knows the impact that mining production is having on the Nicaraguan economy.

Moreover, from a quantitative viewpoint, our coffee production grew. However, this growth coincided with a drop in the price of coffee. In other areas, production dropped. We have managed to increase meat exports although we knew that it came at the expense of limiting domestic consumption. We already knew that. We had talked to the workers about that. We do not deny that once in a while workers eat a little meat. They eat meat in their restaurants. When did workers have restaurants before in this country?

In reply to your question—where is our economy going?—we are going as far as the aggression can have an impact and as far as we can react to the impact of the aggression. We are taking steps to protect the vital elements of the economy.

Therefore, in this clash, where the enemy is attacking and we are defending the functioning of the economy so it does not collapse, greater restrictions will be imposed. However, we will have some respite if the enemy does not achieve major gains in its plans to destroy our economy. Our defense capabilities can give us some respite to better organize production, because we are thinking of the survival of workers, peasants, the labor forces, and the means of production. We hope that they will be saved, that they will survive, and that they will continue functioning in an organized manner so they will increase production despite the war.

BARRICADA: More on this matter: There are rumors that a new currency will be issued. What can you say about that?

Daniel Ortega: People speculate on logical matters. However, a change in currency does not resolve the problem. No new currency will be issued. We are working on a package of measures that do not substantially differ from the measures implemented since 1985 and that we will continue to implement in 1988.

On this matter we must consider that distributing land among peasants is a very important factor in the country's production and a major achievement of the revolution. This year 176,000 manzanas were donated to benefit 9,200 families. This figure includes the 129,000 manzanas donated to cooperatives, the 25,000 manzanas given to individuals who so wanted it, and the 22,000 manzanas given to settlements.

In sum, we have been promoting a policy of land reform that has a direct impact on our country's material base. It constitutes a fundamental transformation that revolves around the distribution of land. However, we have to deal with unforeseen circumstances. A drought hit us this year. After a first-rate and unprecedented corn harvest the drought came. There was not a second harvest of corn. The bean harvest was also wiped out. We are facing a critical situation regarding the supply of basic grains.

However, we are certain that no one is starving to death here despite all the limitations and the crisis. Those who are screaming that they are starving to death are the ones who have the least problems regarding food because they eat here and go to eat in Miami. We are taking the appropriate steps so the people affected by the drought are guaranteed the minimum benefits. [passage omitted]

BARRICADA: As president, what do you feel was the most important news of the year?

Daniel Ortega: The signing of the Guatemala agreement in view of the regional problem. [passage omitted]

BARRICADA: You went to Moscow this year and met with Comrade Gorbachev. What did you talk about when you met with him? What topics did you discuss?

Daniel Ortega: We talked about the situation in Nicaragua and Central America and the Soviet Union's interest in supporting Nicaragua's efforts to achieve peace. Gorbachev clearly stated this. We also talked about perestroika and his meeting with Reagan in December—when they discussed the situation in Central America and Nicaragua.

Gorbachev once again reasserted the Soviet Union's staunch support for Nicaragua. He mentioned this and joked that the U.S. media has reported that the Soviet Union was withdrawing its support for Nicaragua.

We joked about this, about how U.S. imperialism is trying to manipulate false information and create a situation that does not exist. Quite the contrary, the Soviet Union has increased its aid to Nicaragua in every sector.

BARRICADA: Referring to perestroika, does it influence the Sandinist revolution in any way?

Daniel Ortega: No, I do not see how perestroika can exert any influence on the Nicaraguan revolution, which has its own characteristics. Many of the elements being handled within perestroika were already part of the Nicaraguan revolution, given the character of our process. This includes the use of criticism, communication

between the people and their leaders, and forms of the economy that have been established here; in other words, a series of factors that are logically the result of different situations.

Perestroika is the answer to a socialist regime 70 years after its revolution, where a complete analysis and evaluation are being made; steps are being taken to increase the efficiency of the socialist state's structures; a search is underway to attain technological development so the Soviet Union may attain the first phase of its overall development.

Referring to this, perestroika is the result of a socialist regime with 70 years of experience. In Nicaragua's case this is illogical because it is a new revolution and has risen with other characteristics—quite different from the characteristics of the socialist state that has prevailed in the Soviet Union.

BARRICADA: Commander, I have another question: What is Fidel Castro's role in our process?

Daniel Ortega: Cuba, and particularly Fidel, have been very close to us, to Nicaragua. But their solidarity with us has gone beyond that. In proportion to its economic, material, and human capacity, Cuba has cooperated with Nicaragua the most. Cuban teachers and workers have died here beside Nicaraguan workers and teachers. We cannot deny that our ties with the Cuban revolution had existed even before the Nicaraguan revolution triumphed. I think Cuba is a very important factor in Latin America's reality. The Cuban revolution has survived and is being acknowledged by the Latin American countries after it was isolated by the United States. Latin America also isolated the Cuban revolution, obeying U.S. instructions. Latin America now maintains a different position. Its mind is more open, more realistic, courageous enough to criticize U.S. policy and oppose this policy. Latin America is convinced that Cuba is a reality and that it is necessary to coexist with that reality. Cuba and Nicaragua are closely united and identified with each other. Cuba and Nicaragua feel they are brother countries pursuing the same objectives: protecting the rights of workers, laborers, and peasants, and defending the sovereignty and self-determination of our peoples and, therefore, of Latin America, of developing countries. It cannot be denied that Cuba and Nicaragua are presently leaders in the defense of the interests and dignity of Latin America. All this makes for close, very good communications with Fidel and the Cuban leaders, but particularly with Fidel. He and I often discuss the region's problems. Fidel also carries out an active policy in favor of peace in Central America.

BARRICADA: In the course of this interview we will also discuss you. One year ago PEOPLE magazine selected you as one of the 25 most important people in 1986. TIME magazine devoted a cover to you this year. It is no mere chance that leading newspapers keep giving front-page coverage to you and Nicaragua. What does this mean to you?

Daniel Ortega: We must keep in mind that if a Nicaraguan political leader attracts so much attention, it is because here is a people who attract the international community's attention. These people have a representative, a president, their spokesman in the international community to deliver a message to the United Nations or the OAS, as happened this year. In addition, the president has negotiated on an international level. This is but an indication of the niche that Nicaragua has carved for itself with the international community. This also indicates that the Nicaraguan revolution has taken out of darkness, not only Nicaragua, but all of Central America. Before the eyes of those looking in the other direction, the Nicaraguan revolution and people have highlighted the Central American reality, a reality full of hope and tragedy, the latter caused by the imperialists' policy. I would say this is what is projected through the news media. Just as Daniel Ortega has been highlighted as spokesman, so could have been John Doe. Behind Daniel Ortega or John Doe is the Nicaraguan people. This is what other people see. [passage omitted]

BARRICADA: Some things have not been said about your trip to Washington. Some information was given when you returned, but we understand that while you were in Washington you went to Congress and the Capitol, where you met with Mr Wright. Was this the first time you visited the Capitol?

Daniel Ortega: No.

BARRICADA: What did you feel being at the U.S. Congress while war is continuing and they are discussing how to make war on us? Were you upset?

Daniel Ortega: The last time I visited Congress was during the Carter administration in 1979. I had not returned until now, when I met with Wright, Dodd, and a group of senators. Normally, when one enters the U.S. Congress, the question that comes to mind is: How is it possible that people who supposedly should have knowledge of and the ability to master our country's problems do not have knowledge of nor do they master the problems? Some people do master them effectively, but there are others who do not know of or master them and are not interested in doing so. They vote passively; they simply vote for the side whose propaganda has swayed them the most. It is not a thought-out vote; it is not a pondered vote.

This is what is worrying, because one asks oneself if this is the congress that has endorsed and supported policies that have lowered the U.S. image internationally, as has effectively occurred. Reagan heightened the image a bit when he signed the agreements with Secretary Gorbachev, but this is a relative recovery. The truth is that the

international and popular image of the United States has deteriorated a lot because of the policies that come from the U.S. Congress. Clearly, U.S. congressmen are not true congressmen who study the regional problems—in the cases of Central America and Nicaragua—in depth and decide on their vote. The votes that were recently made to approve new funds for the contras are a reflection of what the U.S. Congress is all about.

BARRICADA: Commander, do you believe in the Democrats?

Daniel Ortega: I believe in the American people. I believe that both the Democrats and Republicans are politicans who defend specific interests. They want to impose on Nicaragua a specific type of social, political, and economic regime. That is to say, they do not want Nicaraguan independence but want a Nicaragua subjected to the United States. Both parties have a common denominator: an imperialist mentality. We must take into account that Democratic and Republican governments have invaded and occupied Nicaragua, and Democratic and Republican governments have made and implemented policies of aggression against other countries. A Democratic government—the Kennedy administration—launched the invasion of Cuba. A Democratic government was also the one that began the invasion of Vietnam.

One exception has been the Carter administration, because of the positiion it took regarding the Panama Canal problem and its decision to sign the Torrijos-Carter Treaties. Reagan and extremist Americans, governors, and congressmen called the Carter administration "communist."

Thus, if the next U.S. government is Democratic or Republican does not affect us one way or the other. I believe that any future U.S. government will have to reflect on what the Reagan government has done and not make the same mistakes. It would be logical for the future U.S. government to try to arrive at an understanding with Nicaragua. To do this, they would have to understand that Nicaragua will not be a U.S. colony; they would have to swallow that bitter medicine. It is bitter medicine to accept that a country is independent, and the United States will not relinquish its plans and objectives of making Nicaragua a U.S. colony or neocolony again.

BARRICADA: You recently stated something that has left some doubts—at least I, as an FSLN member, have these doubts. You stated that in the hypothetical case that the FSLN lost the 1990 elections the government would be relinquished but not power. What does this mean?

Daniel Ortega: Power in Nicaragua has been in the people's hands since 19 July. It is workers' and peasants' power. The government thus has to work to defend the interests of the established power. Whoever governs will have to improve the Nicaraguan workers' condition and implement a government plan that favors the strengthening of the power that has existed in the country since 19 July. In the hypothetical case that the Nicaraguan people would not vote for the FSLN and the majority of votes were given to another party during elections, that other party would take over the government. However, this party could not change the power structures, because that would mean confronting the people. For example, in the hypothetical case the Social Democrat Party won in the United States—this is not presently happening, and the Social Democrat Party has no possibility of winning. Or, if Gus Hall's Communist Party won and tried to change the U.S. power structures, if it attempted to eliminate the Army or eliminate the transnationals—what would happen? Simply, Gus Hall would not be able to govern, he would not be able to hold on, because power bases would not allow him to do so.

This is why I feel that here in Nicaragua, where power is in the hands of the people, the people will never allow any government other than the Sandinist Front to take over. If another party were to come to power, the people would never allow it to modify the power structures. If that party were to decide to dissolve the Nicaraguan Armed forces; take weapons away from the people, from the peasants; and give the peasants' land back to the large landowners, the Nicaraguan people would never stand for it. Therefore, I say that the FSLN would never relinquish power, even if it lost the elections. It would hand over the government, but the power belongs to the people.

BARRICADA: This means the people will not vote against the Sandinist Front.

Ortega: I am sure the people will never vote against the Sandinist Front. I am convinced of that.

BARRICADA: The hypothesis is pointless, then.

Ortega: That is why we are talking about hypothetical matters, mere suppositions.

BARRICADA: Commander, who is, in your opinion, the figure of the year?

Ortega: That is a hard question to answer...the figure of the year. It is a difficult question. Undoubtedly, if there is a figure of the year, I think it is Mikhail Gorbachev—because of the impact of his policies at home and abroad—Gorbachev, as the representative of the Soviet people. We know that in the USSR leaders are not seen as individuals; the leader is the people's representative. Gorbachev is the representative of the Soviet people, and as such he has once again shaken the world, as the October Revolution once did. All of Gorbachev's proposals, his actions, and the new dynamics present in the Soviet Union on the domestic and international levels are shaking up the world, and this is going to have profound effects everywhere.

BARRICADA: You have additional information on Roger Miranda. Is he an old fox—like they say—or is he a frustrated man?

Ortega: We feel he is a traitor. He had resentments; he was frustrated; he assumed extreme positions because of his individual deformities; and so he ended up a traitor—a traitor who, I can imagine, will be sorry for what he has done after he has been in the United States awhile. Why do I say this? Because I do not think that they are going to keep on treating him in the United States the way they are treating him now. In a very short time, when the administration changes, he is going to have to look for work, and most likely he is not going to feel very happy with the way they are going to treat him there. There have been previous experiences with people who have betrayed their countries and have arrived in the United States believing they are going to become millionaires and they are always going to be fussed over. They soon find out that that is not the case. They are soon given the boot, so to speak.

BARRICADA: I believe relations with the Vatican have improved. The pope does not refer to Nicaragua in the same terms as he used to.

Ortega: We feel that the Vatican now has a more realistic policy toward Nicaragua, which is contributing to the effectiveness of the Guatemala agreements in reaching peace in Central America.

BARRICADA: The year 1987 was called: "No one surrenders here." The year will be over in a few days. How has this slogan been complied with?

Ortega: I believe this slogan has been complied with. It has really been our slogan for many years; only this year it has been given more emphasis. In this country inherited from Sandino, from Zeledon, we have inherited the courage of those men who never surrendered. The Nicaraguan people have been defending the revolution firmly, with patriotism. With the slogan No one surrenders here, the Nicaraguan people have defeated the Yankee aggression militarily and survived economically. The people have made it possible for the revolution to survive; they have made it impossible for the enemy to occupy a single portion of our territory. They have continuously defeated the enemy; they have frustrated the enemy's attempts to blow up the Muelle Los Bueyes Bridge and to take over the mines. The people have made it possible to get the coffee, cotton, and sugar harvests out; the people have produced even under the most difficult circumstances in the agriculture and cattle sectors, in the industrial sector, even in the midst of the war zones.

The slogan has been a daily reality in education, in health, in all the tasks that each Nicaraguan must fulfill. Each work place becomes a battlefield, and the slogan No one surrenders here is true not only for the man who carries a rifle in the war zone, but also for the man who handles machinery in an enterprise. [passage omitted]

Obando y Bravo Calls for Changes in 1988

PA031609 Managua Radio Catolica in Spanish 1230 GMT 3 Jan 88

[Sunday homily by Managua Archbishop Msgr Miguel Obando y Bravo from the Metropolitan Cathedral in Managua—live]

[Excerpt] [Passage omitted] We run the risk of the new year becoming an old year from the outset—with the same things, the same habits, hatred, and fratricidal fights. We only imitate what we have already seen and experienced. We are afraid of novelty.

On New Year's day we wish each other a happy new year, but we pretend the year [words indistinct] filled with the same merchandise we had last year and the year before.

Some people say that risks are not for us, especially the kind of risk that the Virgin Mary experienced and the one that her son promised us. He invented a new and different life.

My good brothers, there will be no new life if we continue to be filled with hatred and misery at the beginning of the new year. There is no new life if death still rides through our mountains and the roar of the weapons of war is still heard there. [applause]

There will be no novelty, there will be no novelty [repeats himself] if our men are destroyed by the weapons that sow panic, horror, and death among us. [applause] There is no novelty if the neediest ones lack the basics needed to survive and if children grow up undernourished for lack of bread and milk. [applause]

There is no novelty if girls wishing to keep their virtue are outraged in our hamlets and mountains. [applause] There is nothing new if our government and the Nicaraguan Resistance lack flexibility to now seek... [changes thought] [applause] There is no novelty if our government and the Nicaraguan Resistance lack flexibility to seek peaceful paths when the homeland is bleeding. [applause]

I earnestly hope that in 1988 an amnesty as complete as possible will be decreed to fulfill Esquipulas II. I repeat, I earnestly hope that in 1988 an amnesty as complete as possible will be decreed to fulfill the Esquipulas II commitments and to bring happiness to the families that await the return of their loved ones. [applause]

Our people are strong, passionate, and active. Our people are aware of being alive, and they know that by joining forces in a prodigious unity they will be courageously showing the homeland that they can bravely carry the steel of war or the olive branch of peace in their right hands. [applause]

In 1988 we hope our people will not have the steel of war and the instrument of death on their hands, but bear instead the olive branch. If men are at war it is because no one listens to the clarions of peace that are sounded in Heaven. [applause]

Brothers, we will follow the sad example of the destroyed homeland. Our rivers, our seas, and lakes are filled with blood. [Word indistinct] the mournful trenches, the bloody lands, and both piety and mourning are sobbing together. No, my brothers, let not hatred shoot its arrow. Let us take roses and [word indistint] to the altars of peace—peace for our beloved Nicaragua, peace in the name of God. [applause]

Virgin Mary, queen of peace, help our people, help Nicaragua that is devoted to you. Cover it with your cloak. Spare it from danger. Virgin Mary, if hatred, selfishness, the uncontrollable desire for power, inflexibility, arrogance, and senselessness prevail in Nicaragua, it will not only be a year without wine, like the wedding in Cana of Galilee, but also a year without bread, beans, meat, medicines, [words indistinct]. [passage omitted]

On Status of Talks

PA032304 Paris AFP in Spanish 2101 GMT 3 Jan 88

[Excerpts] Managua, 3 Jan (AFP)—Nicaraguan Cardinal Miguel Obando y Bravo today said that no date has yet been established for the third round of talks to attain a cease-fire between the contras and the Sandinists.

At the conclusion of his usual Sunday mass at Las Sierritas Church, the cardinal also said he does not understand why the meeting between the Nicaraguan Resistance (RN) and the government cannot be held in Central America. [passage omitted]

Obando y Bravo today reasserted that the RN requested an interview with him before another meeting is held and "they—the rebels—told me that the meeting could be held in Guatemala."

Obando y Bravo reported that the National Reconciliation Commission, over which he presides, has prepared the report that will be presented to the International Verification and Follow-Up Commission (CIVS), the organization created by Esquipulas II to evaluate the progress achieved by the peace plan. The commission is scheduled to tour the region this week to receive the reports.

Asked if the report's contents are negative or positive, the cardinal said: "One cannot be too optimistic and see everything through rose-colored glasses, or too pessimistic and see everything from a gloomy perspective."

"We are all interested [words indistinct] peace prevails in this country," he said, adding that the CIVS plays "a very important role" in the search for peace in the isthmus.

Referring to this, the cardinal said that in Nicaragua's case, "the Nicaraguan Government itself has asserted that it will lift the state of emergency and grant a broad amnesty according to the CIVS' report."

Cardinal Obando y Bravo said he is confident that the CIVS will be given full information on Nicaragua and it will "have to talk with the government, all the opposition parties, and all the people who are able to provide a realistic report."

Petronic, Distributors on Gasoline Shortage

PA020212 Managua EL NUEVO DIARIO in Spanish 31 Dec 87 p 1

[Text] The Nicaraguan Association of Distributors of Petroleum and its By-Products (ANDIPEP) has concurred with the Nicaraguan Petroleum Enterprise (Petronic) on the need to create a national awareness of fuel savings.

The two organizations expressed the need for fuel savings this week in the wake of long lines of cars waiting for hours at the gas stations.

President Daniel Ortega told local and foreign newsmen that the problem is that Nicaragua does not produce oil and has to depend on friendly countries for its oil needs.

New Call [subhead]

Two days ago ANDIPEP repeated President Ortega's statements about the government's efforts to obtain the necessary crude and by-products for domestic consumption and of the country's plight in this respect.

The USSR has supplied approximately 400,000 tons of oil to Nicaragua. This is about 100,000 tons more than originally agreed upon by the two countries at the beginning of the year.

The Cuban Government has also supplied Nicaragua with oil beyond the amount agreed upon originally, while other socialist countries supplied the rest of the oil we have obtained.

The Nicaraguan Government, however, has not been able to obtain enough oil for all its current needs. There is a shortage of 50,000 tons, and it has seriously affected consumers near the end of the year.

Government reports reveal that Nicaragua managed to obtain more than 765,000 tons of crude and by-products during this year and expects to obtain 825,000 tons in 1988.

Gas Station Owners Insist [subhead]

Gas station owners insist they do not get the amounts of gasoline they request, while Petronic claims that as of 2 days ago it had supplied them with 94 percent of this month's needs.

Meanwhile, fuel trucks from the oil companies are delivering gasoline to the gasoline stations, who complain that because of the long lines of cars waiting to be served they are unable to provide related services such as greasing, washing cars, and so on.

Yesterday, however, there were still long lines at gasoline stations. Many people apparently have counterfeit or forged coupons, while Petronic claims that practically all of the gasoline allotted for this month has been delivered.

In Other Areas [subhead]

Henry Vargas, our correspondent in Nueva Segovia, reported that during the last 2 weeks in December only 700 gallons of gasoline have been sent to Ocotal and that most of that was supplied to producers.

Miguel Cano, our correspondent in Leon, also reported serious shortages of fuel in that area, as well as in Carazo and Jinotega.

In view of the country's failure to obtain more fuel, Petronic authorities are delivering a set amount of gasoline for a specific number of coupons.

Authorties should investigate why there are so many coupons left over, even after Petronic reports it has practically delivered all the amount allotted.

Contras List Government Truce Violations

PA311600 San Salvador Radio Cadena YSU in Spanish 1800 GMT 30 Dec 87

["Excerpt" of communique issued by the Nicaraguan Resistance (RN) in El Salvador on 30 December]

[Text] The Sandinist regime violated the 24-25 December truce by attacking RN northern front units and shelling several Jinotega areas during those days.

Several Jinotega areas were shelled by heavy artillery by the EPS on 24 December. The Christmas truce was supposedly in effect on that date. The Santa Marta, Cuatro Esquinas, El Castillal, and Mesa Redonda areas were shelled, causing much material damage.

The EPS also attacked units of the RN army's northern front on 24 and 25 December. The events are summarized thus:

An EPS company attacked a Segovia regional command joint task patrol in Jinotega on 24 December.

EPS units attacked Pablo Ortiz Gomez task force units in El Portillo, Condega, Esteli, on 25 December.

EPS units stationed in Cuatro Esquinas, 2 km from Pantasma, Jinotega, attacked the Jose M'guel Moncada task force and the Miguel Talavera group from the Quilali regional command on 25 December.

The EPS Locopepe Batallion, which is part of Brigade 3644, attacked a Quilali regional command guerrilla unit. The EPS Socrates Alvino Batallion attacked units of Jorge Salazar No 1 command in El Verani, Zelaya Central Department.

EPS units attacked a Hermenegildo Gonzalez Baez task force patrol in La Ceiba, Chontales; and in Boca Azul, Zelaya Central, on 24 and 25 December.

The EPS's Light Hunter Batallion attacked the Fermin Espinosa task force of the Salvador Perez regional command in La Pavona Abajo district, Jinotega, on 25 December.

We also report that Lieutenant Juan Raul Ortiz Castro of EPS Brigade 364 [as heard], who was in charge of the EPS military base in Abysinia, Jinotega, joined the rebels on 24 December with all his military equipment. This former Sandinist officer joined the Salvador Perez regional command.

We also want to report that the Sandinists are carrying out reprisals against the civilian population in Siuna, Bonanza, and Rosita. The RN carried out strong attacks against EPS patrols and the Sandinist headquarters in those localities on 21 and 22 December.

Panama

Noriega Reports Defense Forces Work in 1987

PA040217 Panama City Television Service in Spanish 1530 GMT 3 Jan 88

[Speech by Panama Defense Forces, FDP, Commander General Manuel Antonio Noriega to FDP officers at the military recreation complex in Nuevo Emperador on 29 December—recorded]

[Excerpts] [Words indistinct] of the political situation we had, was a result of productive institutional work. Our work was based on the two pillars that support the FDP superstructure. The first pillar is community work by FDP engineers, our civic action men, the men who

support their work, the zone commanders. The civic action work carried out is work that identifies the FDP members with the area where one works and where one lives.

The other pillar is the tactical one. It includes the FDP's intelligence and police resources, and the resources of the antiriot forces to check urban warfare and other problems. This pillar is able to reinforce the other pillar, which had been the only one supporting the FDP superstructure. [passage omitted]

We have expanded, restructured, and trained our Air Force to give the men who comprise it a better vision and better opportunity to develop, based on the priorities that the geographic conditions of our territory establish.

The Navy has increased its infantry personnel. Naval troops have had the opportunity to study in other countries, such as Peru. [passage omitted]

The antiriot forces that were on the streets and that were always able to count on the support of combat troops obtained good marks as a result of their work.

The women's force is a new one, but it is strong. The capability, discipline, bearing, and know-how of this force are outstanding.

We also have a health battalion that is growing. It is one thing to build a health battalion from an established institution, but it is another to take a battalion by the hand and help it evolve concurrently with the evolution of the institution and with the evolution of the necessary tools.

This health battalion includes a new group: the military nurses.

We complement the evolution of the institution with military attache offices, which are necessary, give prestige to the institution, and complement abroad the mission of our men in uniform.

In line with the realistic efforts involved in the development of the institution, we point to the creation of the logistics battalion, which has been able to go wherever the soldiers go, and this is important. [passage omitted]

We built a Panajungla school in an Indian area. Our Panajungla men, who have no relations with the Indians there, participated in it. The Panajungla doctor is the doctor the Indians of the area use. Only when one visits this school can one realize that this doctrine, whereby we call for development, is a doctrine that gives us the moral strength to repeat with conviction: Not one single step backward. [applause]

Opposition Explains Amnesty Vote Abstention

PA312231 Panama City LA ESTRELLA DE PANAMA in Spanish 31 Dec 87 p 1

[Article by James Aparicio]

[Text] Panama's opposition bloc at the Legislative Assembly explained why it abstained on the vote to approve a new amnesty law. This law will permit the reopening of the news media closed since 27 July. The Attorney General closed these media after accusing them of "attacking the economy and constitutional powers."

Christian Democratic legislator Guillermo Cochez noted that the opposition introduced a bill that was broader in scope than the bill introduced by the government, which was approved on Tuesday. He said the government bill was incomplete "and differs little from the presidential pardon," since it does not include the group called MODELO [Local Democratic Movement]. Moreover, the amnesty law does not make any reference to the restrictions on the opposition's right to organize demonstrations.

"We would have preferred complete amnesty," Authentic Panamenist Party legislator Jacobo Salas said. He added that there should be a blanket amnesty "if the idea is to create a climate of peace and tranquillity in the country."

Legislator Ruben Rosas, of the Nationalist Liberal Republican Party, said what is still needed are "other substantial measures that may set the country on the path toward full democracy." He labeled the approved law "incomplete."

Planning Minister on Economy, Public Finances

PA032136 Panama City LA ESTRELLA DE PANAMA in Spanish 3 Jan 88 pp 1, A-10

[Article by James Aparicio]

[Text] Planning and Economy Minister Ricaurte Vasquez has told LA ESTRELLA DE PANAMA that "the country's economic situation continues to be delicate," although "the economy will be in better condition than the public finances" in 1988.

Although Vasquez acknowledged that Panama's foreign debt, which is estimated at approximately 4.7 billion balboas, was reduced by 22 million balboas, he said that "banks have reduced their business plans with Panama." Vasquez pointed out that the decline of the dollar and the suspension of U.S. aid to Panama "make it more difficult to sell the Panamanian position" to international financial organizations.

Minister Vasquez stated that because of distrust by part of the international banking sector with regard to granting loans to Panama, the country requested a revision of the interest policy "to obtain formulas that do not stifle us."

Vasquez explained that those "formulas" include the use of zero-interest-rate coupons, which were recently issued by the United States for Mexico; the purchase of the debt at the market value, as was done for Bolivia; or the postponement of the payment of interest, "as Chile was allowed to do for 1 year."

Vasquez ruled out the possibility of not paying the foreign debt, although he did not deny that the possibility had been studied. He stated that the policy of nonpayment of the foreign debt has not worked out in any country, because indebted countries such as Brazil and Peru end up paying off the debt with a surcharge.

Vasquez reiterated: "When one ends up paying off bills, we have to distinguish between things that have a political or emotional expression and the specific reality at the end of each day."

Minister Vasquez said that Panama has continued fulfilling its obligations on time, but said that deficiencies in the financial situation at IRHE [Institute of Hydraulic Resources and Electrification] and Social Security must be corrected. Vasquez added that if taxes are increased or if tax policies are revised, "the best thing would be to tax abroad and not the local economy."

Regarding the suspension of U.S. aid to Panama, which was caused by the political crisis affecting Panama in 1987, Minister Vasquez explained that in 1987, Panama did not receive $200 million, because it did not have the matching funds to complement the foreign aid. Vasquez reiterated that because of the U.S. active participation in various international organizations, the Panamanian position "is difficult to understand, and it becomes and involves another risk for which there is a price that must be paid."

Vasquez said that Japan is one example. He said that Japan "could show a more aggressive attitude, but it adopts a more conservative one to avoid having conflicting opinions with the United States."

Panama has a 3.78 million-balboa foreign debt, and it maintains financial links with the World Bank, the IMF, the Club of Paris, the IDB, the Agency for International Development, and the trade and banking sectors of the United States, Taiwan, Spain, Venezuela, Japan, Italy, Sweden, France, and Mexico, among others. Panama pays 8 percent of its annual gross national product, which is estimated at 5 billion balboas.

Argentina

Communique Released on Falklands Anniversary

PY021939 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1905 GMT 2 Jan 88

[Text] Buenos Aires, 2 Jan (NA)—The Argentine Government today reaffirmed "Argentina's sovereign rights" over the Malvinas Islands and "the South Georgia and Sandwich Islands" and its "firm determination to recover them through peaceful negotiations."

The Argentine Government statement was released today in a Foreign Ministry communique because tomorrow is the 155th anniversary "of the illegitimate British occupation of the Malvinas Islands."

The statement says "the position of the Argentine Government and people is based not only on principles and rules of international law, but also on the conviction that possibilities for rational and just solutions exist."

The statement also says that "within this context Argentina's complete readiness to find adequate terms to guarantee and safeguard the interests of the inhabitants of the islands should be reiterated."

The document points out that "Argentina's willingness to negotiate is firmly supported by the majority vote of the international community, which has several times urged our country and Great Britain to negotiate solutions to all problems pending between the two countries in addition to the future of the Malvinas Islands."

The statement concludes by saying the Argentine Government hopes "the British Government will adopt a realistic and constructive attitude to allow the resumption of negotiations."

Army Releases Communique Concerning Rico Case

PY311932 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1438 GMT 31 Dec 87

[Text] Buenos Aires, 31 Dec (NA)—The Argentine Army today formally and categorically rejected the attitude of one of its officers who threatened NOTICIAS ARGENTINAS reporters with his service weapon yesterday. The Army adds that this rejection is not meant to interfere with any legal procedure that may be adopted regarding the incident.

The Army released a communique explaining that the officers who yesterday accompanied Lieutenant Colonel Aldo Rico from the General Lemos School for Combat Support to Rico's home, where he will be under house arrest, "were not (repeat not) on duty."

The communique reads as follows:

"Regarding the incident during the transfer of Lt Col Aldo Rico to his home, in accordance with the orders of the military judge who is trying Rico's case, the Army General Staff announces:

1. The military personnel who were accompanying Lt Col Rico yesterday were not on duty. They were acting on their own initiative.

2. In accordance with the terms of Law 23,049 of 1984, which modified the Military Code of Justice, it is up to the ordinary courts of the place where the incident occurred to investigate it.

3. In accordance with current regulations, the Army will cooperate in any court investigation, at the request of the appropriate judge. Without interfering with these legal procedures, the military authorities will also punish any violation of military discipline.

4. As an institution, the Army reaffirms its respect for the work of journalists. Any disrespect toward this work is formally and categorically rejected by the Army.

[Signed] Julio Oura, colonel in charge of the Army Press Department

Chile

Pinochet Gives New Year Address to Nation

PY011425 Santiago Television Nacional de Chile Network in Spanish 0035 GMT 1 Jan 88

[New Year address to the nation by President Augusto Pinochet; date and place not given—recorded]

[Text] Fellow citizens: The year 1987 is ending, and the people throughout the country are getting ready to celebrate this event, with the hope that all their wishes will be fulfilled in 1988.

I am addressing the nation today with the hope of conveying to you, on behalf of the government I am heading, and on behalf of my wife and myself, our deepest wish that 1988 will bring happiness and hope to all our loved ones. I believe this is also an appropriate time to evaluate the events of 1987 and share with you some ideas regarding 1988.

This year, we Chileans were honored by the visit of Pope John Paul II, who had the opportunity to see for himself the situation in our country and to assess the uniquenesses of our people. Every single word spoken by the illustrious visitor has become a legacy for all Chileans.

This year, Chileans also suffered the effects of natural disasters. But beyond all misfortunes, Chileans have once again demonstrated their spirit and courage to overcome these adverse situations.

As in other countries of the free world, we have also suffered the scourge of terrorism, the most nefarious plague affecting the world. Terrorism has tried to rule over our country by killing innocent people and destroying property.

We will tirelessly continue our struggle against terrorism, keeping alive our hope and confidence in those who are charged with rejecting such aggression.

In 1988 Chile will go through a major stage of its institutional life because the necessary final steps will be taken to consolidate the order established in our Constitution. However, constitutional progress has been hindered by the actions of national and foreign enemies who have not hesitated to harm the entire country for the benefit of certain political ambitions.

On one side the country is seeing internal aggressors resorting to foreign support in an effort to recover power and avenge the defeat of 1973, even if this action results in chaos and retrogression by surrendering to powers with transnational ideologies.

On the other side is the foreign aggressor who, as an act of revenge or misinformation, is trying to aid those who are committing treason against their fatherland. To do this the foreign aggressor is spending millions of dollars, which is unaceptable interference, and which I am sure our people thoroughly reject.

For this reason, in this year so important for the country's destiny, I call on all Chileans to build their future based on their own sovereign decision. Our people's sovereign decision will determine the path to follow. Consequently, we are compelled to fulfill our duties as citizens, and to begin by registering to vote. This sovereign decision will help Chile become a solid and stable democracy in the upcoming period.

Following this path, we will, with the participation of all Chileans, continue with the plans we started in 1973, such as the elimination of unemployment, road and highway construction, and the promotion of construction in general. We have continued with the housing plan, surpassing all expectations with the more than 750,000 units that have been built.

We will continue to strengthen our economy by creating more outlets for production, thus giving dignity to the human being.

Fellow countrymen, I want you to observe with responsibility and objectivity all that has been done, trying to understand the gigantic task that the person who governs you has undertaken to give Chile the necessary means to become a developed country where extreme poverty has been eliminated.

Chileans, I invite you to evaluate what has been done in all these sectors and I want you to feel proud of the successes that have been achieved at both the personal and national levels.

These successes must give us sufficient courage to face the challenges awaiting us. Let us have faith in Chile, faith in its destiny. We must continue to build the future of the Republic, thus strengthening its freedom and sovereignty.

The Chilean people will never accept foreign interference. Chileans have shed too much blood for their emancipation and that sacrifice will never be compromised by the ambitions of a few people or by the transnational ideologies that seek to overrun us.

Chile will always be free, proud, and sovereign. Let God protect our destiny and, together in a fraternal embrace, let all Chileans say with pride and much faith: Viva Chile!

Videla Cifuentes Appointed Deputy Minister

PY311735 Santiago Domestic Service in Spanish 1600 GMT 31 Dec 87

[Report from the Diego Portales Building by Antonio Cofre]

[Text] President Augusto Pinochet has appointed Brigadier General Ernesto Videla Cifuentes as deputy foreign minister.

This official information was released a few minutes ago by DINACOS through the following press communique:

DINACOS reports the following to the public:

His Excellency, the president of the Republic, Captain General Augusto Pinochet Ugarte, on 31 December 1987 accepted the resignation of Brigadier General Francisco Ramirez Migliassi from the post of deputy foreign minister with the rank of minister of state. Brig Gen Ramirez Migliassi will become the commander of the Military Engineering Industries Command.

His excellency has appointed Brig Gen Ernesto Videla Cifuentes as deputy foreign minister with the rank of minister of state.

Police Clash With Communist Demonstrators

PY022345 Buenos Aires DYN in Spanish 2313 GMT 2 Jan 88

[Excerpt] Santiago, 2 Jan (AFP)—Fifteen people were hurt and several others arrested in Santiago today during a clash between policemen and communist militants celebrating the 66th anniversary of the Chilean Communist Party.

According to official sources, the clash occurred near a lake in Santiago's O'Higgins Park, when the militants attacked a police unit patrolling the area.

A private vehicle was destroyed by a Molotov cocktail before policemen used truncheons and tear gas to break up the rally.

According to a police report, seven policemen were injured. The report, however, gave no details on how they were hurt. [passage omitted]

Attack on Electric Tower Blacks Out Santiago

PY011352 Madrid EFE in Spanish 1324 GMT 1 Jan 88

[Text] Santiago, 1 Jan (EFE)—A partial blackout caused by an attack affected this capital last night, shortly after midnight. The blackout lasted 3 and 1/2 hours.

An electric tower located on San Cristobal Hill, in the eastern part of Santiago, was blown up, causing the blackout.

Only 4 minutes after the start of the New Year (0304 GMT), all the upper (eastern) sector of Santiago was left in absolute darkness.

So far no extremist group has claimed responsibility for the attack.

Colombia

Further on Ochoa's Disappearance From Jail

PA311515 Madrid EFE in Spanish 0455 GMT 31 Dec 87

[Text] Bogota, 30 Dec (EFE)—Colombian drug trafficker Jorge Luis Ochoa Vasquez, the second most important drug trafficker in Medellin, who left Bogota's Picota Jail apparently legally tonight, went to the airport, where a "charter" plane was awaiting him. He then disappeared to an unknown destination, perhaps outside Colombia.

Ochoa—who is included among the 20 wealthiest men in the world, with a wealth of over $2 billion; and who was wanted by U.S. and Puerto Rican justice officials for cocaine trafficking—was inadvertently detained by road police on 21 November.

Workers at Picota Jail, located in the southern end of Bogota, and where Jorge Luis Ochoa was kept, confirmed that Ochoa was set free at 1930 (0030 GMT on Thursday) in response to an alledged order issued by a Medellin judge to whom Ochoa's lawyers had presented a "habeas corpus" writ.

Ochoa's release took place while jail personnel were busy attending to a bloody and spectacular escape attempt from Modelo Jail, located on the western end of Bogota. In the attempt, three prisoners and one guard were killed.

Over 1 week ago, the Colombian Justice Ministry had lifted the arrest order against Ochoa concerning his extradition when the Colombian Government and its judicial authorities determined that the extradition treaty with the United States does not apply to this case.

Ochoa remained in jail, however, because he had been condemned to 20 years [as received] in prison by a Cartagena judge for smuggling fighting bulls.

Barco Says Nation 'Perplexed'

PA010106 (Editorial Report) Bogota Television Service in Spanish at 0000 GMT on 1 January carries a 10-minute recorded speech by President Virgilio Barco.

Barco discusses the release of drug trafficker Jorge Luis Ochoa. He says, "the government, as well as the public, was perplexed and angered at the news that a judge had ordered Jorge Luis Ochoa to be released, and that the warden at the prison where Ochoa was being held had honored the release order. This was in open defiance of the clear instructions of his superiors not to release Ochoa until they arrived at the prison. Ochoa's release once again show the defects and weakness of some aspects of our de jure state." Barco says, however, that the country should not lose faith in the courts and that those who disobeyed orders will be punished. No further reference to the Ochoa case is made.

Minister Calls Release 'Defeat'

PA311400 Bogota Emisoras Caracol Network in Spanish 1215 GMT 31 Dec 87

[Excerpts] Bogota—Jorge Luis Ochoa Vasquez, presumably one of Colombia's most powerful drug traffickers, was released last night by order of a lower court judge in Bogota, according to sources of La Picota Jail.

Criminal Judge 71 ordered Ochoa's release after accepting a request filed by Ochoa's attorney claiming that his client had already served a 20-month jail sentence for smuggling bulls. Ochoa's attorney, Humberto Barrera Dominguez, also claimed that his client had already served jail sentences in Spain, Cartagena, and Bogota; and that therefore it was not fair for Ochoa to continue in detention. [passage omitted]

The decision made by Criminal Judge 71 caused surprise in judicial circles, because he was not in charge of the case; the decision was under the jurisdiction of the Cartagena customs judge. Attorney Barrera said that because the customs judge is on vacation, he filed a writ

of habeas corpus before the Bogota judge, who normally works during the period of judicial vacations. Barrera said he did this to prevent the unfair detention of Ochoa from being extended.

Meanwhile, Justice Minister Enrique Low Murtra has admitted that the surprising release of Jorge Luis Ochoa Vasquez is a defeat. He reaffirmed that the government will continue a direct campaign against drug trafficking.

I admit this is a defeat. We are victims of situations we never imagined; we must recognize this fact, but we will not falter. The struggle against drug trafficking will continue with greater vigor, said Minister Low Murtra.

The justice minister said he will order the appropriate investigations to find those responsible for the controversial release of Ochoa Vasquez. He promised he would secure the help of judges and the Attorney General's Office. Minister Low Murtra said that the government continues to believe there are honest judges in Colombia despite what has happened.

Government Orders Recapture

PA311640 Paris AFP in Spanish 1518 GMT 31 Dec 87

[Excerpts] Bogota, 31 Dec (AFP)—The Colombian Government today ordered the immediate recapture of alleged drug trafficker Jorge Luis Ochoa. The government denied any responsibility in the release order.

"Justice in Colombia is independent," Justice Minister Enrique Low told AFP. He explained that a judge ordered Ochoa's release without consulting with the government.

"He was not obliged to do so," the official added. He noted that "the government believes judges are honest."

Ochoa, regarded as a member of the so-called "Medellin Cartel," unexpectedly regained his freedom last night when a Bogota judge authorized his release from Picota Jail based on a writ of habeas corpus.

"Unbelievable,...unlawful," Minister Low remarked. He said that in Ochoa's case, a "habeas corpus writ was uncalled for." Ochoa had been captured by accident on 21 November in the country's southeastern region.

Meanwhile, it was reported today that the National Directorate of Prisons, a a Justice Ministry agency, ordered the Picota Jail warden not to comply with the judge's order.

The jail official, however, explained "he was afraid" of being accused of "arbitrary arrest." He decided to accept the order from the judge handling the legal process against the drug trafficker. [passage omitted]

A joint police and Army operation was conducted in Bogota that same night. It was impossible, however, to recapture the drug trafficker. According to some newspapers, he had left the country on a small airplane.

However, that report has not been confirmed. Meanwhile, the authorities are conducting a strict watch on Bogota's El Dorado Airport and a small landing strip located north of Bogota.

Some highways leading to the city are also under observation in the search for Ochoa. However, as one policeman told AFP, "he seems to have vanished into thin air." [passage omitted]

U.S. Attitude 'Offensive'

PA032111 Buenos Aires REUTER in Spanish 2010 GMT 3 Jan 88

[Text] Bogota, 3 Jan (REUTER)—According to an official communique released here today, Colombia has described as "offensive" the attitude of a high-ranking U.S. official, who protested the release from a Bogota jail of the alleged drug baron Jorge Luis Ochoa.

Deputy Secretary of State John C. Whitehead met with Colombian Ambassador to Washington Victor Mosquera Chauz "only to make statements and express ideas that are just a bit short of being offensive to the Colombian Government and to his own government," declares yesterday's communique. The communique provided details of the meeting that took place Thursday between the two officials.

During the interview, Mosquera told Whitehead that he had no commitment regarding the Ochoa case and that the Colombian Government "could do no more than what it did to prevent Ochoa's release," the communique noted.

Mosquera reminded Whitehead of the sacrifices in human lives that Colombia has made in its struggle against drug-trafficking and that "control and repression measures to prevent consumption in the United States have yielded no satisfactory results—and there is no better encouragement to production than consumption," the declaration added.

Ochoa, who is considered by the DEA as the leader of Medellin drug traffickers and who has also been illegally transporting 70 percent of the total amount of cocaine consumed in the United States into that country, was released on 30 December by a judge's order, which surprised both U.S. and Colombian authorities.

The United States had requested Ochoa's extradition, but the Colombian Supreme Court of Justice declared the U.S.-Colombian extradition treaty unconstitutional in July. The government, therefore, lacked the legal basis to send him to the United States, where he would be have been judged.

In Colombia, Ochoa is not accused of drug trafficking. The judge who ordered his release said that Ochoa had served a sentence greater than the one imposed on those accused of smuggling fighting bulls, which was the charge for which Ochoa had been was arrested.

Diplomatic sources said that the relations between the United States and Colombia, which had been allies for a long time—were disturbed by Ochoa's case.

ELN Calls for Resumption of Pipeline Attacks

PA030313 Bogota EL TIEMPO in Spanish 29 Dec 87 p 2a

[Article by Jaime Calderon]

[Text] Cucuta, 28 Dec—The National Liberation Army this morning sent a communique to radio stations in Ocana announcing it will resume attacks on the country's oil pipelines. The communique encourages the people to take to the streets to defend the nation's sovereignty.

Police, Army Clash With FARC in Several Areas

PA030421 Bogota EL SIGLO in Spanish 30 Dec 87 p 1

[Excerpt] Fighting courageously, the police repelled FARC attempts to seize Paujil and Montanitas, Caqueta Department, where three rebel fronts operate.

A group of guerrillas armed with rifles and grenades arrived at Paujil and attacked the police station; they met strong resistance. The policemen killed guerrilla Luis Jaime Hoyos Colorado, and wounded five others, who were taken into the jungle by their fleeing comrades.

Other FARC columns reached Montanitas and, after harassing and intimidating the local residents, headed for the police station to steal the policemen's weapons. After 1 hour of shooting, however, the guerrillas were forced to withdraw.

In addition, 11 soldiers of the 3d Infantry Brigade's Cabal de Ipiales Group who were wounded during a FARC ambush in Putumayo Department continue to recover at the Military Hospital. [passage omitted]

Fighting in Gaitania

PA030104 Bogota Cadena Radial Super in Spanish 1730 GMT 2 Jan 88

[Excerpt] The guerrillas who occupied Gaitania in Tolima Department last night were identified as member of the FARC's 6th Front. They clashed with the police for more than 4 hours. The police post's commander and a police agent were killed; five other agents were seriously wounded.

As "Super News" of Colombia reported, at about 2345, about 50 guerrillas entered the town located in southern Tolima Department and immediately attacked the police post and cut off all communications.

During the occupation of Gaitania, Sublieutenant Osvaldo Sandoval Beltran and Agent Carlos Bejarano Duarte were killed. Also, agents identified as Ricardo Marin Vasquez, Jose Quiquisiano, Carlos Suarez, Luis Alejandro Vasquez Jimenez, and Vicente Valencia were seriously wounded. They were admitted to the Tolima Police Department hospital and the Tolima Clinic.

The wounded were transported from Gaitania by helicopter. Police units and 6th Brigade troops were deployed there this morning. The situation in Gaitania is now under control but the authorities revealed that intensive operations are underway in search of the rebels, who fled in various directions.

"Super News" of Colombia learned that the department's government immediately ordered the implementation of security measures in the area in the wake of the bloody occupation of Gaitania. [passage omitted]

Army Suffers 10 Casualties

PA030331 Bogota EL TIEMPO in Spanish 29 Dec 87 p 2a

[Article by Edison Parra]

[Text] Pasto, 28 Dec—Four soldiers were killed and six others badly wounded during a FARC ambush of a Putumayo Specific Command patrol.

The dead are two noncommissioned officers and two privates. The wounded are also privates. None of the victims was identified.

This information was provided by the 3d Infantry Brigade, stationed at Cali.

According to a communique, the soldiers were traveling in a station wagon, which was blown up by guerrillas.

The incident occurred at noon today at La Joya, Puerto Caicedo Corregimiento, Puerto Asis Municipality, Putumayo Department.

The rebels stole war materiel from the patrol and escaped into the jungle.

Little information about the ambush was disclosed. It was learned, however, that the wounded were taken to Bogota.

According to government sources, the victims' identities could not be fully determined because of problems with radio communications.

Airborne troops stationed at Cali were dispatched to the area this afternoon.

Simon Bolivar Rebel Group Attacks Valdivia

PA032135 Bogota Cadena Radial Super in Spanish 1730 GMT 3 Jan 88

[Report by Juan B. Catano from Medellin]

[Text] Regarding an attack on Valdivia, the police, especially the traffic police, has given us the following information:

According to police sources, Valdivia, a municipality in northern Antioquia, 69 km from the capital city Medellin, was attacked by members of the Simon Bolivar Guerrilla Coordinating Board. The official report states: The rebels suffered 11 casualties; Corporal Fabio Munoz was taken hostage; and policeman Walter Quintero was wounded. We believe Quintero is currently being treated at Yarumal Hospital.

The Medellin Traffic Department also advised us that traffic to the area has been restored. The rebels earlier halted all traffic into the area. They were protesting the fact that, according to them, there are no talks between the government and the rebels. They are blaming the government for many of the country's current problems.

Meanwhile, another group, also believed to be members of the same organization, halted traffic and harassed the people on the road to Granad), near Santa Rosa Municipality. This is one of the main roads used by the people who are traveling from the coast to Medellin.

The official sources also reported that Valdivia Municipality was defended by 10 policemen while they waited for reinforcements to arrive from Yarumal and other neighboring municipalities.

Paraguay

Popular Democratic Movement Leader Released

PY032305 Asuncion HOY in Spanish 3 Jan 88 p 22

[Text] Attorney Alberto Alderete, a Popular Democratic Movement (MDP) leader, was released yesterday at about 1000. He had been held since last Monday, when he was arrested by policemen for not having his identification card. Alderete's identification card had been seized earlier by police personnel.

Commenting that the only reason given for his arrest was "orders from above," Alderete said: This type of action only occurs in an absolutist regime where the police control the state and the people's lives. The people here are just on parole."

In conclusion, Alderete expressed his "acknowledgement of the Paraguayan Bar Association's current efforts on behalf of the trade union sector."

Peru

Explosions Cause Power Blackout in Lima

PA012014 Hamburg DPA in Spanish 1914 GMT 1 Jan 88

[Text] Lima, 1 Jan (DPA)—Large areas of Lima, the Peruvian capital, which has a population of 6 million, were without electricity today after terrorists blew up several high-tension electricity towers last night.

According to the police, 10 other explosions were prevented when bombs were found on high-tension towers in the mountainous region east of Lima by helicopters flying over the area.

Authorities believe the sabotage was carried out by members of the Maoist Shining Path rebel movement.

Interior Minister Jose Barsallo reported that the government has deployed more than 5,000 policemen to ensure security for Lima's residents during New Year's Day.

Uruguay

Ferreira: Opposition Will Not Hinder Progress

PY040210 Madrid EFE in Spanish 2358 GMT 2 Jan 88

[Text] Montevideo, 2 Jan (EFE)—Wilson Ferreira Aldunate, leader of the National or "Blanco" Party, the main opposition party, today announced that his party will "in no way" contribute to creating an atmosphere of unrest, which would compromise Uruguay's possibility of making progress.

Ferreira said that in 1988 tha National Party will act in the opposition "with responsibility and with awareness."

The Blanco leader made these comments after receiving at his home the New Year greetings of the commanders in chief of the three branches of the Uruguayan Armed Forces.

Ferreira, who is suffering from an incurable disease, described as "very important" the "courtesy" of the three commanders in chief in visiting him. He said these attitudes "are good for the country."

The Blanco leader predicted "a difficult year for the economy." He said, however, that his party "will in no way contribute to an atmosphere of unrest, which would compromise Uruguay's possibility of overcoming its difficulties."

Debt Capitalization Mechanism Established

PY021820 Madrid EFE in Spanish 0040 GMT 2 Jan 88

[Text] Montevideo, 1 Jan (EFE)—Uruguayans began the new year by establishing a new financial mechanism for the capitalization of the foreign debt through domestic investments.

Uruguay owes foreign creditors approximately $5 billion, one of the highest debts per capita in Latin America.

The government has approved regulations by which national or foreign investors can exchange debt notes for treasury bonds to finance up to 80 percent of officially approved investment projects.

Under the new regulations, the government will grant priority to the capitalization of the debt involving projects designed to increase exports.

During a news conference, Economy and Finance Minister Ricardo Zerbino said the capitalization of the debt will encourage investments in important productive sectors.

According to Zerbino, the second priority after exports is tourism, which provides more foreign exchange than any sector except exports.

Zerbino confirmed that the government will not give money in exchange for foreign debt notes; it will give bonds valued in dollars. This is the difference between the Uruguayan system and that of other countries, he added.

Zerbino said the Central Bank will determine the amount that can be capitalized each year.

Venezuela

Lusinchi Summarizes 1987's Accomplishments

PA021821 Caracas Television Service in Spanish 1503 GMT 31 Dec 87

[President Jaime Lusinchi's year-end message; given at the Ayacucho Room in Miraflores Palace—live]

[Excerpts] Mr President of the National Congress; Mr Vice President of the [words indistinct] Mr President of the Supreme Court of Justice; His Eminence Cardinal Jose Lebrun, Caracas archbishop; Mr President of the Supreme Electoral Council; Mr President of the Judiciary Council; Dr Rafael Caldera, former president of the Republic; Mr Carlos Andres Perez, former president of the Republic; Vice Admiral Wolfgang Larrazabal, former president of the Junta of the Government; Messrs Ministers of the Cabinet; Messrs Officers of the High Military Command; Messrs Secretaries General of the political parties; Dr Gonzalo Barrios; and distinguished friends of all of Venezuela:

Tradition, deeply rooted in our nature, produces a strange mixture of joy and reflection in us and makes these days of December suitable for meditation and soul-searching, for the personal and collective appraisal of achievements or failures, and, naturally, for outlining plans. The arrival of a new year imposes on us the need to note lessons that will encourage us and allow us to correct mistakes for a brighter outlook. We have said this many times and have done it all the time. I must repeat this, because today, 31 December, the present gradually melts into the past. [passage omitted]

If we make a realistic appraisal without false optimism and without trying to distort the results, we will see that, although we must increase our struggle against inflation, poverty, and the factors hampering a more equitable political, social, and economic development, 1987, despite serious difficulties, was a year in which our efforts make it possible to predict better times and greater opportunities for progress.

May I give you some figures? We have succeeded in maintaining the economic growth rate we began in 1986 after 8 years of impoverishment. According to the Central Bank of Venezuela's preliminary figures, the GNP, excluding oil figures, rose by 3.2 percent this year. Unemployment has been lowered to 8.5 percent. In addition, an important reduction in the number of government employees has been made. Government jobs represented only 18 percent of the total number of jobs in the country during the second half of 1987. This compares favorably with the 22-percent figure during the first half of 1984.

These figures are accurate and were produced by a state service marked by its scientific precision and a high sense of professional responsibility. These figures cannot be challenged by subjective assertions lacking a scientific basis. Regarding the analysis, I must stress the presence here of many citizens of other countries who have come to Venezuela seeking jobs. They have found them.

Our agricultural sector grew 4 percent. Agricultural production was 20.34 percent above that of 1983. To this, we must add the foreign exchange savings that made it possible to considerably lower food imports. The area harvested increased from 1,543 million hectares in 1983 to 2,280 million hectares in 1987. Production yield increased by 6,104 kg per hectare during the 1984-87 period. This figure compares favorably with the 5,734 kg per-hectare production during the 1979-83 period.

Another important aspect in agriculture, which ensures its future, is investment in the country's agricultural and livestock infrastructure, water control, agricultural roads, and organization of regional authorities. In addition, we must mention the fact that we solved most of the crop storage problem with the construction of new facilities and the implementation of a good facilities management policy. All this has been achieved without neglecting the all-important field of research, especially in biotechnology.

Likewise, I must stress that the commission appointed to consider the serious land ownership problem—the commission comprises representatives of all Venezuelan agricultural sectors—has been working in earnest and hopes to have recommendations ready for the beginning

of next year. The solution of this problem is very important for the social and production stability of Venezuelan rural areas. I have pledged to solve this problem.

In industry, we have achieved the progress indicated in the reports. We are observing an important increase in production. The production of goods rose 3.5 percent in 1987. The service sector grew 3 percent. The production of consumer goods continued to expand. The agricultural and manufacturing sectors, particularly small- and medium-scale industries, made the greatest contribution to this. It is necessary to mention that Venezuelan industrialists reported in their income tax returns the expansion of their industrial facilities by more than 50 percent and that, during the year, 896 new industrial projects with investments of about 15.606 billion bolivares and the creation of 38,171 new jobs were registered at the Development Ministry. This indicates a promising future in this important economic sector. [passage omitted]

OPEC decisions were implemented during the first half of 1987. We managed to raise oil prices from under $10 per barrel in July 1986 to $18. Later in the year, noncompliance by OPEC member states caused a market weakening. The Venezuelan delegation made a firm protest over this noncompliance at the last OPEC meeting and reaffirmed the need for all members to respect their commitments. If the OPEC members comply with their decisions, we will stabilize the oil market in 1988.

Continuing the PDVSA [Venezuelan Petroleum Corporation] policy of obtaining new markets for our petroleum and its by-products and of increasing its income, PDVSA signed new international contracts during 1987. These contracts have increased our guaranteed sales to foreign markets to 450,000 barrels of crude oil daily and will bring us additional income. [passage omitted]

In mining, we must highlight a general reorganization of gold and diamond mining and the participation of the Venezuelan Central Bank in all gold marketing. We exported the first 3 tons of gold, worth $47 million, during 1987. We estimate that in 1988 we will export no less than 15 tons of gold worth no less than $300 million. [passage omitted]

Despite major problems, the international situation at the end of the year can be called auspicious. In the region, the eight Latin American presidents' summit from 27 to 29 November in Acapulco, Mexico, no doubt represented a major breakthrough in the reaffirmation of solidarity and mutual understanding. On a wider scale, the meeting of the U.S. and Soviet leaders, which produced as an immediate result the agreement to eliminate medium-range missiles, opened definite possibilities for peace.

This year was marked by intensive actions in Venezuela's foreign policy. Special emphasis was placed on defending the country's interests, national sovereignty, and our people's desire for progress and on contributing to strengthening world peace. Our participation at the UN Security Council and in all international organizations and conferences followed that policy. This includes our participation in the 42th UN General Assembly.

I would like to stress the official visits I made to Mexico, Barbados, Dominica, Grenada, Saint Lucia, Aruba, the Netherlands Antilles, and Guyana. I would also like to stress the visits to this country by the Brazilian and Guyanese presidents; by Netherlands Queen Beatrix, who was accompanied by the prime ministers of Aruba and the Netherlands Antilles; and by the governor of Puerto Rico. During these visits we reaffirmed our unyielding commitment to expand dialogue and rapprochement, especially with Latin American and Caribbean countries. We are bound to these countries not only by historical and geographical ties but also by cherished hopes, interests, and challenges that we must face with solidarity.

The establishment of diplomatic ties with Zimbabwe, Sri Lanka, Nepal, and Singapore was a firm step toward expanding and consolidating ties of friendship with Asian and African countries. There were positive developments in Central America, where we have made our best efforts to achieve peace and harmony among fraternal nations. This is seen in the signing of the Esquipulas II agreement. As a member of the Contadora Group, as well as of the International Verification and Follow-up Commission of that agreement—which was set up in Caracas in August—Venezuela continues to help achieve peace and reaffirm democracy in Central America.

A permanent mechanism for political coordination was established during the Acapulco summit, which is unmistakably regarded as one of the most important meetings in the region. This mechanism will expedite dialogue and the search for practical solutions to matters of common interest to Latin American countries.

We will meet in Montevideo in 1988. I am sure we will renew our efforts to make good the Acapulco agreement for peace, development, and democracy that the eight presidents signed, which embodies the most fundamental views on the region's most pressing problems.

No less important to our foreign policy were the economic steps taken. In the framework of our determination to open our economy to other nations, we have taken many steps to stimulate nontraditional exports. We are convinced of this challenge. To meet it, we will have to make our economy competitive, make use of our comparative advantages, and convince the developed countries that protectionism, which limits the free access of the developing countries' products to the leading world markets, leads nowhere. Action in this direction must be coordinated, and we have done so.

The Armed Forces have continued to be one of the fundamental foundations supporting the integrity of the state's institutions, as well as peace and national sovereignty. In truth, the men to whom the Republic has entrusted its arms can feel proud of their task and mission to guarantee the freedom and democracy inherent in our existence as a nation. In addition, the Armed Forces in 1987 made a valuable contribution toward the country's progress with their social assistance and civic action programs, their community development activities, their active participation in activities for the benefit of the community, and their joining the agricultural, industrial, and cultural development processes. [passage omitted]

At this point, I thank all those who helped and encouraged me. To be able to live in the presence of loyalty and true affection is more than a reward for me. I hereby thank the noble Venezuelan people. I am proud to say I enjoy their generous understanding. In exchange, I hereby express deep love for Venezuela and promise to remain firm, upright, genuine, and loyal.

Friends from all over Venezuela: I end this message of tradition and solidarity by extending to every Venezuelan and everyone who lives in this gracious land of Simon Bolivar my best wishes for a happy and successful year in 1988. To all the peoples of the world, our message is peace and friendship. Happy New Year to everyone. [applause]

Briefs

Economic Growth Report

Assessing the country's economic behavior for 1987, Venezuelan Central Bank President Mauricio Garcia Araujo said that the GNP had grown 3.2 percent. He added that the balance of payment deficit dropped by $1.166 billion. At year's end, the Central Bank's international reserves were $9.157 billion. Garcia Araujo noted that the manufacturing and agricultural sectors experienced the most growth. [Summary] *[Caracas Television Service in Spanish 0000 GMT 31 Dec 87 PA]*

Cocaine Seizure

Two Colombians, Gabriel Vasquez Villaruel and Alberto Gomez Diaz, carrying false Spanish and Chilean passports, were captured by National Police agents at Maiquetia Airport on 24 December. The authorities seized 5 kg of pure cocaine that the traffickers brought from Bogota en route to Europe. In the past days, the authorities have seized more than 112 kg of drugs, including cocaine, heroin, marijuana, and cocaine sulfate. [Summary] *[Caracas Television Service in Spanish 1600 GMT 28 Dec 87 PA]*